

**EXPOSURE EFFECTS  
OF CONSUMER-GENERATED  
ADVERTISING  
ON AUDIENCE ATTITUDES, RECALL AND  
BEHAVIOURAL INTENTIONS**

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# ABSTRACT

Over the past decade, the networked information environment has increased consumers' autonomy and brought radical change to the advertising industry. Now individual consumers can reach millions of others around the world and advise them on well-known brands through home-produced video-ads, which was not as accessible in a previous era dominated by one-way marketing. The overall objective of this thesis was to examine the attitudinal, behavioural and recall effects of consumer-generated advertising (CGA) on viewing audiences. This was achieved by implementing an exploratory sequential mixed method design. During an initial qualitative phase with focus groups, seven determinants of CGA effectiveness were identified: recognition of consumer-generated advertising; advertising quality; product involvement; perceived expertise of ad creators; motivations of ad creators; scepticism towards CGA; and consumer's creativity. The Salience-Involvement model of CGA effects was then developed and tested in two subsequent empirical studies. Study One used a 2 x 2, between-subjects experimental design in which levels of advertising Source Salience (consumer-generated vs. company-generated) and Product Involvement (low vs. high involvement) were manipulated. Results reveal a largely negative impact of salient CGA when the consumer source was not disclosed. However, under high involvement conditions, amateur CGA was more entertaining and more likely to be electronically shared with others. Meanwhile, under low involvement, brands from consumer-generated ads showed higher levels of recall. Study Two investigated how the outcomes of professional and amateur CGA change after source disclosure using a 3 x 2 x 2, between-subjects design. In this experiment, levels of Source Awareness (consumer-generated ads vs. company ads vs. no source indicated) were manipulated in addition to Source Salience and Product Involvement. Findings show that Source Awareness produces an interactive effect with Source Salience and Product Involvement, which is significant only on the Cognitive component of Attitude towards the ad and the Attractiveness component of Credibility. Thus, disclosure of consumer source is likely to enhance ad evaluations when the CGA is professionally produced and involvement is low. Meanwhile, attribution of amateur CGA to consumer source is likely to have a negative impact. Conversely, attribution of an amateur ad to company source has a favourable attitudinal effect under high involvement. In summary, this research demonstrates that in the context of CGA, the communicator-receiver similarity does not necessarily guarantee a positive response. Most importantly, the CGA's outcome is moderated by Source Salience. Since Source Salience specifically characterises the consumer source in this context, it could potentially add another dimension to the traditional conceptualisation of the information source.

## Abbreviations

CGA – consumer-generated advertising

CGAs – consumer-generated ads

A<sub>ad</sub> – Attitude towards the Ad

A<sub>b</sub> – Attitude towards the Brand

SBC – Self-Brand Connection

ERB – Emotional Response to Brand

EV – Entertainment Value

PI – Purchase Intentions

LS – Likelihood to Share

PCI – Product Category Involvement

CS – Consumer Scepticism

# Chapter 1

## INTRODUCTION

“What emerges in the networked information environment, will not be a system for low-quality amateur mimicry of existing commercial products. What will emerge is a space for much more expression, from diverse sources and of diverse qualities. Freedom – the freedom to speak, but also to be free from manipulation and to be cognizant of many and diverse options – inheres in this radically greater diversity of information, knowledge, and culture through which to understand the world and imagine how one could be” (Benkler, 2006, pp. 168-169).

### 1.1 INTRODUCTION

Information, engagement and persuasion are central for marketing and consumer behaviour. The way product information is created and exchanged in our society critically influences brands. For centuries, advertising has been dependent on centralised mass media communication where one-way marketing practices, from the company to the consumer dominated. “Television culture, the epitome of the industrial information economy, structured the role of consumer as highly passive” (Benkler, 2006, p. 135). Viewers who were ironically called ‘the couch potatoes’ or ‘eyeballs’ had a well-defined role only to receive and interpret messages. “The media product is a finished good that they consume, not one that they make” (Benkler, 2006, p. 135). Because of this passive nature of the ‘television culture’, consumers formed no part in creating the information environment they occupied.

Over the past decade, there has been a radical change in the process of information production. The emergence of the networked information environment had a marked effect of increasing individual autonomy. First, “it increased the range and diversity of things that individuals can do for and by themselves” (Benkler, 2006, p. 133). With the help of affordable digital gadgets and free editing software, consumers have taken the opportunity to create various media content, from blogs to fan films. An entire new ‘Generation C’, where ‘C’ stands for “content” or “creativity”, has emerged producing “an avalanche of consumer-generated content that is building on the Web, adding tera-peta bytes of new text, images, audio and video on an ongoing basis” (Bruns, 2008, p. 4).

Consumer-generated advertising (CGA) is a form of brand-related user-generated content and can be defined as “any publicly disseminated, consumer-generated advertising messages whose subject is a collectively recognised brand” (Berthon, Campbell, & Pitt, 2008, p. 8). As a result of the digital revolution that brought Web 2.0, video production has become a part of the consumer’s “feasible set of options” (Benkler, 2006, p. 134). People need no access to extravagant film studios. They need no expensive equipment or large financial investments. Neither have they needed cable access to allow them to distribute their views and opinions on popular brands (Benkler, 2006). The new opportunities provided individuals with the option of not only passively watching advertisements created by advertising agencies, but also creating a TV ad by themselves, without the need for expensive film making equipment. As stated by Benkler (2006), the consumer “is changing what he himself does – from sitting in front of a screen that is painted by another to painting his own screen” (Benkler, 2006). Two major features of interactivity – role exchange between a message sender and receiver, and user’s control (McMillan & Hwang, 2002; Rafaeli, 1988; Rice & Williams, 1984; Williams, Rice, & Rogers, 1988; Wu, Hu, & Wu, 2010) – transformed consumers from passive viewers into creators and communicators.

As a result, a large group of diversely-motivated individuals, not associated with the relevant companies, can now reach millions of others around the world (Benkler, 2006) and advise them about well-known brands. While before such a reach was simply unrealistic for consumers, now “every such effort is available to anyone connected to the network, from anywhere” (Benkler, 2006, p. 4).

Brands which were previously determined and controlled by this small group of marketing professionals are now being largely influenced by consumers who are actively co-creating brand meaning and brand value. The elimination of many physical constraints for production and distribution of information (Benkler, 2006) gave a remarkable power to an exceedingly large group of individuals. As Shirky (2010) suggests, “we live through disorientation which comes from including two billion new participants in a media landscape previously operated by a small group of professionals” (p. 186).

## **1.2 EMERGENCE OF CONSUMER-GENERATED ADVERTISING**

Social media and user-friendly multimedia software have enabled consumers to create their own ads about well-known brands and distribute them online (Berthon et al., 2008). First known as vigilant marketing (Muñiz & Schau, 2007), consumer-generated advertising (CGA) was defined as consumer-created brand communication with “the look and feel of traditional advertising” (Ertimur & Gilly, 2012, p. 115). The phenomenon of consumer-generated advertising became increasingly popular in 2007 when a number of ads created by consumers

were broadcasted during the Academy Awards Ceremony and the Super Bowl (Lawrence, Fournier, & Brunel, 2010).

While consumer-generated ads (CGAs) may emerge spontaneously, the vast majority of CGAs have been initiated by firms hosting advertising contests. For example, Frito Lay (Doritos) have already invited their customers to “Crash the Superbowl” every year for the past seven years, providing significant motivation in the form of million-dollar incentives (Frito Lay, 2009, 2014). Overall, a broad range of companies have encouraged consumers to create ads for their brands: Pepsi, Amazon, Heinz, Disney World, Kraft’s Food (Picnic), Firefox, Converse, Chevrolet, NFL (National Football League), and Unilever (Dove) amongst many others. Their advertising contests take place either on internet-based platforms launched directly by the respective company, or within online communities of CGA-creators such as MoFilm and Zooppa. The submitted consumers’ ads are judged, exhibited online and then commonly voted on by a consumer audience (Kozinets, Hemetsberger, & Schau, 2008).

Companies often facilitate consumer-generated advertising by using crowdsourcing. The term crowdsourcing was coined by Howe (2006), and is defined as “the act of taking a job traditionally performed by a designated agent (usually an employee) and outsourcing it to an undefined, generally large group of people in the form of an open call” (Howe, 2006, p. 1). It is considered that crowdsourcing works well when a task requires high levels of creativity but little time (Olson & Rosacker, 2013).

Consumer-generated advertising employs the “crowd creation” model of crowdsourcing, which is aimed at “simply gathering ideas from the crowd” (Hopkins, 2011, p. 18), compared to “collective intelligence, or crowd wisdom”, which creates conditions for participants to share knowledge, brainstorm and come up with a complex optimum solution (Hopkins, 2011).

The number of submissions for consumer advertising competitions is usually relatively small, and often competitions are criticised as inefficient for this reason. However, the literature on open source software shows that the small number of submissions is quite normal for crowdsourcing (Olson & Rosacker, 2013). Studies have reported that on average the public solves 30 per cent of problems that were not solved by corporate staff, and about 10 solutions are usually submitted for each problem after attracting attention from about 200 people (data for 2001-2004) (Olson & Rosacker, 2013).

The actual number of Internet-based creators appears to be quite small. According to estimates, only 13 per cent of Internet users in the age group of 12 to 26 years old make active contributions to user-generated content (Arnhold, 2010). According to another source, consumers-creators also constitute the minority of 24 per cent (Comor, 2011). However, this



small group appears to be fairly influential, as their creative uploads affect the massive Internet audience comprising all other types of users, so-called critics (19 per cent), collectors (15 per cent), joiners (19 per cent) and spectators (33 per cent) (Arnhold, 2010).

The emergence of consumer-generated advertising has been accompanied with the widespread belief that CGA can possibly outperform traditional advertising (Lawrence, Fournier, & Brunel, 2013). This notion is supported by performance measured by the USA Today Super Bowl Ad Meter (Frito Lay, 2014). According to its ratings, over the past four years consumer-generated ads have been consistently among the top favourites (Lawrence et al., 2013). For instance, in February 2011 four consumer-generated ads of Doritos and Pepsi Max brands scored within the top-ten most popular ads, whilst Doritos "Pug Attack" was ranked as a number-one spot (PepsiCo, 2011). Meanwhile, in February 2014 Doritos' "Time Machine" finished second (USA Today, 2014). Another winning Doritos CGA commercial, "Underdog", was produced with a budget as small as \$200 and achieved second place during the Super Bowl in 2010 (Frito Lay, 2010).

### **1.3 RESEARCH PROBLEM**

The need to integrate consumer-generated advertising within a company's marketing strategy has encouraged scholars to investigate the effects of CGA. Despite the recent academic interest in the CGA phenomenon, the results of past studies are inconclusive. Prior research has primarily focused on the behavioural and attitudinal consequences of consumer-generated advertising, using both qualitative and quantitative methods. In particular, it was documented that individuals frequently respond to ads created by fellow consumers in a more favourable way (Lawrence et al., 2010; Lawrence et al., 2013). Yet other research has found CGA to cause potentially negative responses among the audience (Ertimur & Gilly, 2012; Steyn, Ewing, van Heerden, Pitt, & Windisch, 2011; Steyn, Wallström, & Pitt, 2010; Thompson & Malaviya, 2013). These two lines of research display an apparent inconsistency. Therefore, further research is needed that not only clarifies and integrates these two lines of investigation, but also provides a more cohesive model of the influence of CGA.

Moderator variables can provide an explanation of existing contradictions in the CGA research. However, factors influencing CGA effects have not been extensively examined (Lawrence et al., 2013; Steyn et al., 2011; Thompson & Malaviya, 2013). Addressing this gap is the purpose of this research.

Markedly, there has been little research on the impact of ad quality on CGA's effects. What makes this question particularly important is that professionals are becoming increasingly involved with creating user-generated content (UGC) (Dijck, 2009) and in

particular, consumer-generated advertising. Many participants of consumer ad contests are, in fact, professional advertisers or filmmakers. Examples of this can be seen from analysing the winning entries of CGA competitions (Ertimur & Gilly, 2012).

The underlying rationale of this trend lies within the commercialisation of UGC web sites. The global video sharing platform You Tube is such an example (Dijck, 2009). Although the Internet was first envisioned as a space for “free amateur culture” and enthusiasts, it has evolved significantly to incorporate professionals (Dijck, 2009, p. 50). The integration of UGC web sites into new commercial media conglomerates has resulted in a decrease of voluntarism and a proportionate increase in professionalism among users (Dijck, 2009). Observations reveal a significant share of career-driven consumers-creators that may be characterised as “aspiring professionals, both in the technical-creative sphere and in the artistic-entertainment sphere” (Dijck, 2009, p. 51). Some of them are “potential talents and hopeful pre-professionals” who seek fame and a gateway into “traditional media” (Dijck, 2009, p. 53). Some involved with the digital creative industry where people commonly work “unusual hours” and spend their spare time on “non-assigned projects” (Dijck, 2009, p. 51). As a result, the participation of professionals in co-creation projects has significantly increased. This has led to the emergence of online media content with a diverse range of quality, which can produce diverse effects on the mass audience.

Thus, an ad created by an independent filmmaker and submitted to a consumer ad competition will be classified as consumer-generated, despite its professional appearance. While amateur CGA stands out from classical TV ads, it may be difficult to visually differentiate professionally produced CGA from company advertising produced by the traditional method. This is frequently seen in marketing practices, and therefore posits urgent questions about the perceptions of CGA with differing levels of quality. However, so far, little is known about how amateur and professional production influences the effectiveness of consumer-generated advertising. Hence, the present research seeks to address this gap in the academic literature.

This brief background leads to the main goal of this thesis, which is to examine the effectiveness of consumer-generated advertising. The focus of this research, therefore, is on the attitudinal, behavioural and memory effects of CGA on consumers who have not participated in the advertising co-creation process, though are exposed to ads produced by fellow consumers. Thus, this study investigates the impact of CGA on mass audiences. It is intended to extend the existing body of research by identifying conditions when consumer-generated advertising is more likely to be successful. This will help to create a lasting impact on our understanding of the CGA phenomenon.

This thesis employs a mixed method approach, triangulating a qualitative inquiry with online experiments. Therefore, first, qualitative data will be collected from focus groups to

formulate a set of hypotheses, which will then be tested in a series of experimental studies. In particular, the present work is intended to answer three research questions. *The first specific objective of this thesis is to identify factors influencing consumer's responses to consumer-generated advertising.* These findings are going to be used to construct the model of CGA effects to be tested in the subsequent empirical studies. *The second specific objective is to identify in what conditions the consumer source should be disclosed in a consumer-generated advertisement.* From the set of experiments, theoretical insights will be derived and, finally, used to answer the major question of interest: *"Is consumer-generated advertising more effective than company advertising?"*

This thesis comprises eight chapters, including an Introduction. Chapter 2 is dedicated to the literature review, which presents the current state of research on consumer-generated advertising. After considering the diversity of CGA types and consumers' responses, it critically analyses inconsistencies in previous studies. In Chapter 3, appropriate methodology is deliberated, including qualitative and quantitative research stages. Chapter 4 covers an exploratory research phase and is aimed at identifying determinants of CGA's effectiveness. Chapter 5 suggests a conceptual framework of CGA effects, which is tested in the following sections. Findings revealed from two experiments are presented in Chapters 6 and 7 respectively; finally, their theoretical and practical implications are discussed in Chapter 8.

## **Chapter 2**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

The purpose of this chapter is to review the latest research on the phenomenon of consumer-generated advertising in order to provide background information relevant to the current research. The first part of the literature review will analyse major consumer centred trends. After that, it will focus on attitudinal and behavioural consequences of consumer-generated advertising and present results from previously conducted qualitative and quantitative studies. The following part of the chapter discusses psychological theories that may underlie and explain the impact of consumer-generated advertising on a large audience. Two major theoretical frameworks provide useful perspectives on the effectiveness of consumer-generated advertising: the theory of social comparisons by Festinger (1954), including its recent developments (e.g. Mussweiler, 2003), and the Elaboration Likelihood Model (ELM) introduced by Petty and Cacioppo (1986). Finally, the chapter reviews previous research on source effects and source salience.

#### **2.2 CGA AND CONSUMER CENTRED TRENDS**

The phenomenon of consumer-generated advertising appears deeply rooted in major changes that are occurring in marketing. The current research will begin with briefly addressing the foremost consumer-centred trends that facilitate the emergence of consumer-generated advertising. Reflecting the evolution of the consumer's role in the marketplace over the last decade, these trends will include concepts of consumer empowerment, a 'third wave' of 'prosumers', co-creation and consumer innovations.

##### **2.2.1 Empowered Consumers**

The disruption of classical marketing practices, based on the centralised mass communications model, has been stimulated and encouraged by consumer empowerment

(Deighton & Kornfeld, 2009). A decade ago, marketers predicted that the Internet would “enable very powerful, very inexpensive, and very intrusive direct marketing” (Deighton & Kornfeld, 2009, p. 4). Yet, instead of increasing power to marketers, the Internet gave more power to consumers (Deighton & Kornfeld, 2009) increasing their levels of control, participation and critical awareness (Perkins & Zimmerman, 1995, p. 570; Zimmerman & Warschausky, 1998). From a psychological point of view, these newly empowered consumers “would be expected to feel a sense of control, understand their social environment, and become active in efforts to exert control” (Zimmerman & Warschausky, 1998, pp. 6-7).

The concept and practice of empowered consumers existed long before the Internet was established. Over the first half of the last century, empowering processes were initiated by the appearance of self-service stores and an exhaustive choice of products and brands (Davies & Elliott, 2006). During this period, individuals underwent a transformation from the consumer “with little sense of choice in many aspects of life, to the individual/family decision maker for whom consumption is a major arena for lifestyle choices and empowerment” (Davies & Elliott, 2006, p. 1117).

Meanwhile, the highly networked information environment and interactivity resulting from the “Internet revolution” has served as a catalyst for consumer e-empowerment (Deighton & Kornfeld, 2009). An additional contributing factor is that many consumers see the Internet as a non-threatening, highly protective area (Amichai-Hamburger, McKenna, & Tal, 2008). The perception of a safe environment both supports and facilitates consumer e-empowerment. E-empowered consumers are willing to participate in decisions that affect their lives and exert control over personally relevant issues. They are involved with open source software and fan fiction development; they write blogs, edit Wikipedia, create and live online second lives and participate in various forms of brand engagement.

The process of CGA-creation fosters empowerment. First, it does so in the course of internet-based co-creation (Füller, Mühlbacher, Matzler, & Jawecki, 2009), which is often delivered via interactive platforms for ad contests. Second, it does so through self-endorsement in their own consumer-generated advertisements (Duffy, 2010). Here, the concept of empowerment is associated with the idea of “celebrating” individuality and encouraging “individuals to pursue their creative aspirations” (Duffy, 2010, p. 37). In addition, ad creators noted that their feeling of empowerment also originated from the opportunity to learn and to use new digital technologies (Duffy, 2010), and to enjoy virtual interactive tools (Füller et al., 2009).

Perceived empowerment has a positive impact on the consumer’s trust towards companies that offer virtual co-creation tasks, and motivates CGA-creators to participate in future co-creation activities (Füller et al., 2009). However, one “unanticipated consequence”

(Deighton & Kornfeld, 2009, p. 4) is that e-empowered consumers became more demanding and expected more from the product (Pires, Stanton, & Rita, 2006; Wathieu et al., 2002). Because quality expectation thresholds have risen, consumers manifest their demands by using their power to reject the “value propositions of unsatisfactory quality” (Pires et al., 2006, p. 940); they are careful when selecting suppliers in their often extensive information search. Since consumer empowerment is growing in its sophistication, companies have had to develop mass-customisation and personalisation tools to meet the increased demands of their customers (Pires et al., 2006).

While some scholars are concerned about “an uncontrolled growth of consumer empowerment” (Pires et al., 2006, p. 938) and discuss how to help “struggling” suppliers (Pires et al., 2006), other scholars, in contrast, seek to understand how consumer empowerment can be enhanced (Duffy, 2010; Füller et al., 2009; Wright, Newman, & Dennis, 2006). They believe some companies can achieve greater success by further empowering their consumers (Wright et al., 2006). One way to realise this is through co-creation (Füller et al., 2009) and more specifically, through the process of advertising co-creation.

### **2.2.2 ‘Prosumers’**

In the industrial economy the majority of people exist within “hierarchical relations of production” whilst at work, and outside of work they fall within the tightly constrained role of ‘consumers’ (Benkler, 2006, p. 138). A ‘third way’ literature emerged in the 1980s that investigated alternative production processes (e.g. Toffler, 1980). It discussed the possibility of “radically decentralized, nonmarket production” capable of altering the consumer-producer relationship (Benkler, 2006, p. 138).

The concept of ‘prosumption’, defined as “the interrelated process of production and consumption” (Ritzer, 2014, p. 3), originally was introduced by Toffler (1980). He foresaw a “de-massified society” together with a “de-massified media” that reflected “the growing diversity of actual needs, values, and lifestyles” (Toffler, 1980, p. 248). Toffler (1980) argues that in the Post-Industrial Age consumers will be substituted by ‘prosumers’ – people who produce some of the goods and services that inhabit the sphere of their own consumption (Toffler, 1980). One of the reasons why individuals move towards ‘prosumption’ is that they can produce some goods better than those manufactured by companies. Toffler’s (1980) other important point is that self-production of goods and services provide consumers with individualisation and self-actualisation. Achieving these hierarchical needs was predicted to create a significant wave of ‘prosumption’ (Toffler, 1980).

Toffler’s (1980) vision was fulfilled later in numerous digital and material ‘prosumption’ activities, such as planning and executing travel arrangements through Expedia or Trivago,

putting together IKEA furniture, or even performing medical self-diagnostics on the Internet (Ritzer, 2014). “We are seeing the emergence of the user as a new category of relationship to information production and exchange. Users are individuals who are sometimes consumers and sometimes producers. They are substantially more engaged participants, both in defining the terms of their productive activity and in defining what they consume and how they consume it” (Benkler, 2006, p. 138).

Recent conceptualisations suggest that consumers have always been ‘prosumers’ (Ritzer, 2014; Ritzer, Dean, & Jurgenson, 2012; Ritzer & Jurgenson, 2010); however, marketers are now witnessing the emergence of a *new prosumer* (Ritzer, 2014). The empowering technology advancements nurture a “participative culture” (Bruns, 2008, p. 16). “The networked environment makes possible a new modality of organizing production: radically decentralized, collaborative, and non-proprietary; based on sharing resources and outputs among widely distributed, loosely connected individuals who cooperate with each other without relying on either market signals or managerial commands” (Benkler, 2006, p. 60).

The phenomenon of ‘prosumption’ has become especially noticeable in the realm of online media, where it increasingly occurs through user-generated content (Ritzer et al., 2012). This idea is well demonstrated with the example of Twitter, where tweets are being produced and consumed by the global audience, and new tweets are created in response, almost simultaneously (Ritzer et al., 2012). ‘Digital prosumers’ perform tasks that they have never done before (Ritzer, 2014). They have autonomy and freedom to communicate what they want, and “build things that they want to build in the digitally networked environment” without being constrained by high costs or bureaucracy (Benkler, 2006, p. 139).

The emergence of non-hierarchical decentralised nonmarket production opens new forms of behaviour and new directions of productive life that simply did not exist before (Benkler, 2006), such as consumer-generated advertising. Naturally occurring, or facilitated by consumer ad contests, consumer-generated ads (CGAs) communicate brand meaning created and expressed by individual consumers. It was not long ago that creating and broadcasting your own advertisements of internationally branded products seemed delusional. Now it is not only possible, but it is achievable for anyone with access to the Internet and an electronic device. The networked environment inspired CGA-creators to present their own perspective of top brands and provided a greater degree of freedom to do so. “In these two domains of life – production and consumption, work and play, the networked information economy promises to enrich individual autonomy substantively by creating an environment built less around control and more around facilitating action” (Benkler, 2006, pp. 138-139).

A CGA-creator can be conceptualised as a 'produser', defined by Bruns (2008) as a consumer who is engaged in the continuous process of online media content interpretation and creation. Similarly with 'produsage' (Bruns, 2008), consumer-generated advertising has been shaped by the opportunities for action afforded by the network. Firstly, CGA is probabilistic; the more participants self-nominate themselves to specific problem-solving activities, the more chance that a solution will be found (Bruns, 2008). Secondly, it offers equipotentiality, meaning that anyone can equally make his or her contribution. While there is no filtering of participation, authority is determined by the expertise of participants, not by any formal hierarchy (Bruns, 2008). Lastly, all the content related to a problem-solving task and users' contributions should be shared throughout the network, not owned and protected by intellectual copyright or kept in secret, or distributed 'top-down' on the basis of a "need-to-know" principle (Bruns, 2008, p. 20).

However, there is also a difference between 'produsage' and consumer-generated advertising. According to Bruns (2008), 'produsage' suits discrete, rather than complex tasks. If a project can be broken down into individual tasks requiring a limited set of skills and investment from the consumer, this will increase the probability of developing a valuable solution (Benkler, 2006; Bruns, 2008). On the other hand, a consumer-generated ad cannot be divided into smaller tasks, since typically one consumer performs all the work of submitting an ad as a finished product. As outlined by Kotler (1986), the four factors likely to attract consumers to 'prosumption' activities are high cost saving, minimal skill, consumer's little time and effort, and personal satisfaction (Kotler, 1986, p. 3). While meeting three of Kotler's (1986) four criteria, creating CGAs, on the contrary, represents complex tasks requiring a lot of time and effort. This implies that 'prosumption' or 'produsage' of consumer-generated is more difficult to accomplish.

### **2.2.3 Co-Creation**

When the boundaries between producers and consumers move and roles become less clear, the production value chain transforms. The removal of physical constraints has led to the expansion of large-scale collaboration efforts – from production of news and encyclopaedias to the creation of advertising (Benkler, 2006). Marketers have demonstrated an increased willingness to surrender some control over production to achieve superior organisational performance (Bonsu & Darmody, 2008). This perspective, captured in the concepts of 'value co-creation' (Prahalad & Ramaswamy, 2004) and 'service-dominant logic' (Lusch & Vargo, 2006; Vargo & Lusch, 2004, 2008), highlights the centrality of consumer-company collaboration in innovative, creative and productive activities. An object of co-creation can take the form of a huge array of subjects, ranging from the tangible to the intangible: physical products and virtual environments, even elements of branding.



Consumer-generated advertising conforms to value co-creation principles, as it suggests “a mutually beneficial relationship” between the company and its customers (Bonsu & Darmody, 2008). Empowering consumers by providing co-creation tasks generates value for consumers as creative collaborators. Enhancing brand image and providing a key competitive advantage (Prahalad & Ramaswamy, 2004) allows the creation of value for corporations. “Co-creation has become a widely used term to describe a shift in thinking from the organisation as a definer of value to a more participative process where people and organizations together generate and develop meaning” (Ind & Coates, 2013, p. 86).

In the current digital era, brand meaning can be determined collaboratively by both a company and a consumer (Ind & Coates, 2013) through high-quality interactions that allow individuals to gain unique experiences (Prahalad & Ramaswamy, 2004). Consumer-generated advertising is an example of such high-quality interaction allowing value creation.

Consumer-generated advertising delivers personalised brand meaning through non-hierarchical, many-to-many media. All individual co-creation experiences, including CGA, differ (Prahalad & Ramaswamy, 2004) as consumers tend to personalise their connection to the brand (Fisher & Smith, 2011). Although people may share common interests and attitudes, they highly value and appreciate “the ability to seek and find individual differences” (Fisher & Smith, 2011, p. 343). Because consumers demand unique experiences from the brand, it is predicted that the traditional “fixed and unified brand meaning”, which was theorised and practiced by marketers for decades through traditional advertising, will lose its appeal (Fisher & Smith, 2011, p. 342). Meanwhile, co-creation is envisioned to become “the new frontier and leading edge in marketing thought” (Fisher & Smith, 2011, p. 326).

Viewed from another perspective, consumer co-creation is used purely for corporate advantage. Companies create effective online platforms to mobilise consumers, put them to work and simply trap them and appropriate labour (Bonsu & Darmody, 2008). This is because in undertaking different kinds of “immaterial work”, consumers are thought to increase the value of services offered by companies in the marketplace (Cova & Dallı, 2009, p. 325; Cova, Dallı, & Zwick, 2011).

Immaterial labour involves activities that are not normally perceived by the labourer as work (Terranova, 2000). However, as suggested by Cova and Dallı (2009), “consumers actually work: whether or not they are aware of being ‘workers’, they do work. They contribute to the pleasure they feel when consuming in such a way that the value of that experience depends on their contribution” (p. 323). As highlighted by Bonsu and Darmody (2008), “immaterial labour is derived from consumer playfulness and the pursuit of unconstrained altruism” (p. 360). While consumers may be pursuing enjoyment, satisfaction, social interactions and recognition (Cova & Dallı, 2009; Ritzer & Jurgenson, 2010), “user authority” (Laughey,

2010, p. 117) and self-expression (Davis, 2012), they are nevertheless still being exploited by the corporate sponsor (Bonsu & Darmody, 2008; Comor, 2011; Cova et al., 2011; Ritzer et al., 2012; Ritzer & Jurgenson, 2010).

Today some companies, such as Ikea and Expedia are able to earn “unprecedented profits” because they are able to employ fewer people while consumers complete various tasks for them with no pay (Ritzer, 2014). In addition to not having to provide financial reward, companies avoid many other costs associated with employing staff. In addition, consumers not only work for free, they often have to pay premium price for “the fruit of their own labour”, as their customised goods and services usually cost more than a standardised version of the same product (Cova et al., 2011, p. 234). This has raised a concern of consumers’ exploitation and manipulation: “what started as value co-creating work can quickly deteriorate into an experience of exploitative laboring” (Cova et al., 2011, p. 235).

Consumer-generated advertising can be seen as both co-creation and consumer exploitation. It is cheaper for a company to crowdsource their advertising than to employ an advertising agency. Creating an ad can be extremely time-consuming, so consumers are potentially susceptible to manipulation by corporations unless consumers are driven by nonmarket motives. Nevertheless, the creative input of free labour of CGA-creators can help sustain consumers’ interests “by assimilation of consumer work and play” and also by offering ways to experience their own labour “in continually novel ways” (Bonsu & Darmody, 2008, p. 362).

#### **2.2.4 Innovative Consumers**

The central object of co-creation is innovation. The companies actively engage consumers to generate ideas for new products that are more relevant, easy to bring to market and more innovative than products created through the traditional R&D process (Hoyer, Chandy, Dorotic, Krafft, & Singh, 2010; Ind & Coates, 2013). Compared to consumers-innovators, CGA-creators produce novel ideas for advertising and for the most part, directly implement them.

The innovative potential of consumers was first emphasised by von Hippel (1978), who contrasted manufacturer-active (MAP) and customer-active paradigms (CAP). While in traditional MAP the company is required to survey its customers to discover the demand for new products, under CAP it is the role of the consumer to create an idea for a new product, select a company capable of producing this product and communicate their initiative (von Hippel, 1978). This new approach appealed to managers as a more efficient alternative to the traditional R&D process, which often required large financial and time investments (Thomke & von Hippel, 2002).

Consumer innovation can be classified as 'peer production' which refers to "production systems that are dependent on self-selected and decentralized individual action, rather than hierarchically assigned" (Benkler, 2006, p. 62). Similar to the concepts of consumer innovation (von Hippel, 1978) and 'peer production' (Benkler, 2006), consumer-generated advertising represents practices that are decentralised and do not rely on a price system or any managerial coordination. Although consumer ad competitions commonly offer an incentive to participants, "the critical mass of participation in projects cannot be explained by the direct presence of a price or even a future monetary return" (Benkler, 2006, p. 60).

Von Hippel (1986) advanced his idea on consumer innovations by proposing to work with lead product users in order to analyse emerging needs for new products. Lead users were seen to meet two criteria. Firstly, they "face needs that will be general in a marketplace – but face them months or years before the bulk of that marketplace encounters them". Secondly, they "are positioned to benefit significantly by obtaining a solution to those needs" (von Hippel, 1986, p. 796). While companies often seek consumer innovations among lead users, they attempt to find fresh advertising ideas among 'lead creators' often represented by filmmakers (e.g. MoFilm) and individuals from other creative professions.

Advertising can be entirely 'outsourced' to consumers, similar to the outsourcing of design tasks suggested by von Hippel and Katz (2002). Their idea of "toolkits for user innovation" offers consumers a user-friendly set of tools containing templates, libraries of commonly used modules, trial-and-learning training programs and finally a "solution space", which ensures that the designed product could be manufactured without the company revising the project (Thomke & von Hippel, 2002; von Hippel & Katz, 2002, p. 825). "It is difficult to claim its general usability due to the novelty of the method. An important finding derived from the empirical application is that consumers are able and willing to contribute repeatedly to virtual co-development" (Thomke & von Hippel, 2002, p. 57). Such "innovation toolkits" were applied a number of times in advertising co-creation (e.g. Chevy Tahoe and Picnic) aimed at both facilitating and constraining consumer's creativity.

However, the central question is whether innovative consumers can actually generate better results than those achieved by traditional R&D methods. Empirical results revealed that ideas generated by a team of lead users and an R&D team were relatively similar (Lilien, Morrison, Searls, Sonnack, & Eric von, 2002). However, the forecast sales for the best new product ideas generated with lead user methods appeared to be significantly higher than those generated in the traditional way (Lilien et al., 2002). Another important finding shows that during a natural experiment, managers did not obtain a complete 'breakthrough' – idea from a single consumer; instead, they needed to combine ideas from a number of lead users (Lilien et al., 2002).

Overall, the four major consumer-centred trends of empowerment, 'prosumption', co-creation and consumers' innovations preceded and facilitated the emergence of consumer-generated advertising. The historical trajectory indicated a shift towards the networked digital economy, where new forms of consumer engagement will inevitably arise.

## 2.3 LOSS OF CONTROL OVER BRAND COMMUNICATIONS

The emergence of CGA is a “moment of opportunity and challenge” (Benkler, 2006, p. 1). Consumer-generated advertising can be a manifestation not only of “brand love”, but also of “brand hate” (Lawrence et al., 2010). Because consumers are unconstrained by a need to ask permission from companies to use their brands, there is always a risk that CGAs may impact negatively on a carefully constructed brand image.

Furthermore, consumer-generated advertising has become a vehicle for ‘subvertising’, defined as a practice of altering or “jamming advertising” (Sandlin & Callahan, 2009) to create spoofs and parodies of commercials. Subvertisements represent anti-advertising against large corporations, which have already targeted many brands such as the Gap, McDonalds and Absolut vodka (Sandlin & Callahan, 2009). Generally, the goal of subvertisements is to “raise the critical consciousness of consumers about the power and various impacts of advertising [...] and corporations” (Sandlin & Callahan, 2009, p. 97). As noted by Barley (2001), “if images can create a brand, they can also destroy one. A subvert is a satirical version or the defacing of an existing advert, a detournement, an inversion designed to make us forget consumerism and consider instead social or political issues” (Barley, 2001, p. 1).

Consumer-generated subvertisements place into question the perception that CGA enjoys uncompromised success as a marketing tool. The freedom of creation has enabled activists to use images and text to “shock, disgust, or scare consumers” (Sandlin & Callahan, 2009, p. 97). A high profile example of a CGA disaster involved the Chevrolet (Chevy Tahoe) car brand. Consumers used ad templates provided by the company to show how harmful Chevrolet is for the environment (Sandoval, 2006). In this contest, the marketers attempted to constrain consumer’s creativity by providing design “toolkits”, similar to those developed by von Hippel and Katz (2002) for stimulating consumer innovations. However, this strategy failed and the disparaging Chevy Tahoe ads spread virally on the Internet.

Another subversive attack occurred against the Virgin Corporation. Consumers depicting its founder, Richard Branson, in compromising situations forced Virgin to curtail the ad competition (Adland, 2006). Subvertisements, including consumer-generated ones, may also mimic the “look and the feel of the target ad” very effectively by providing an attention-catching incongruity as the audience realises that the content differs greatly from their expectations (Aaker & Brown, 1972). Highlighting the failed CGA campaigns, critics argue that consumer-generated advertising is likely to compromise brands and put them at serious risk (Boamah, 2007).

The emergence of consumer-generated advertising has raised the question of who actually controls brand communications – the company or the consumer. In the Eighties the “prosumer movement” was envisioned to offer “a challenging, if not frustrating, future” for marketing (Kotler, 1986, p. 3). As predicted, the “digital prosumer” gained an unprecedented power. As it is known, “when customers get clever” (Berthon, Pitt, McCarthy, & Kates, 2006, p. 39), controlling the brand image and continuously co-created brand meaning becomes more difficult than ever before. This is why companies often need to stand back and embrace the “abundance” of user-generated content (Ritzer & Jurgenson, 2010, pp. 13, 30), which is not necessarily a positive outcome.

Some researchers have made overly ambitious statements about the complete shift in control over brand communications from the company to the consumer: “The era of a corporation controlling its brand and image is over” (Fisher & Smith, 2011, p. 342). The new era is “open-source” branding, which is seen as the final, highest stage of brand evolution (Pitt, Watson, Berthon, Wynn, & Zinkhan, 2006). Therefore, creative consumers, defined as “customers who adapt, modify, or transform a proprietary offering” (Berthon et al., 2006, p. 39), can on one hand stimulate business development, yet alternatively this may prove to be detrimental.

Some academics are concerned that “co-creation is chaotic”, and that no-one is able to gain control over this process (Fisher & Smith, 2011, p. 325). One of the biggest difficulties is that the input of parties involved in a co-creation process is rarely equal and balanced; co-creation is likely to be “asymmetric” in that it can be skewed in the direction of either the company or consumer (Fisher & Smith, 2011, p. 327). Another issue is that companies might be able to control only “the experience environment” they construct to engage consumers, but have little control over how the individuals use this environment and the content they co-create (Prahalad & Ramaswamy, 2004, p. 11). Consumers innovate for intrinsic purposes and do not ask for a company’s permission when using top brands for their creative experimentations (Berthon et al., 2006). Therefore, research today focuses on how to manage co-creation experiences (Fisher & Smith, 2011; Payne, Storbacka, & Frow, 2008; Roser, DeFillippi, & Samson, 2013), because it would allow corporations to achieve a desirable and predictable result (Fisher & Smith, 2011).

Thus, researchers have been actively considering not only how to engage creative consumers (Füller & Hiennerth, 2004) but, importantly, they are trying to find ways of managing consumers-creators in order to reduce brand risks (Berthon, Campbell, Pitt, & McCarthy, 2011; Berthon et al., 2006). Berthon et al. (2006, 2011) highlight that companies need to constantly monitor the appearance of new CGAs. Besides, it is important for marketers to choose a strategy of how to react to consumer-generated advertising. The four main options are to discourage, resist, encourage or enable CGA (Berthon et al., 2011; Berthon et al., 2006). A

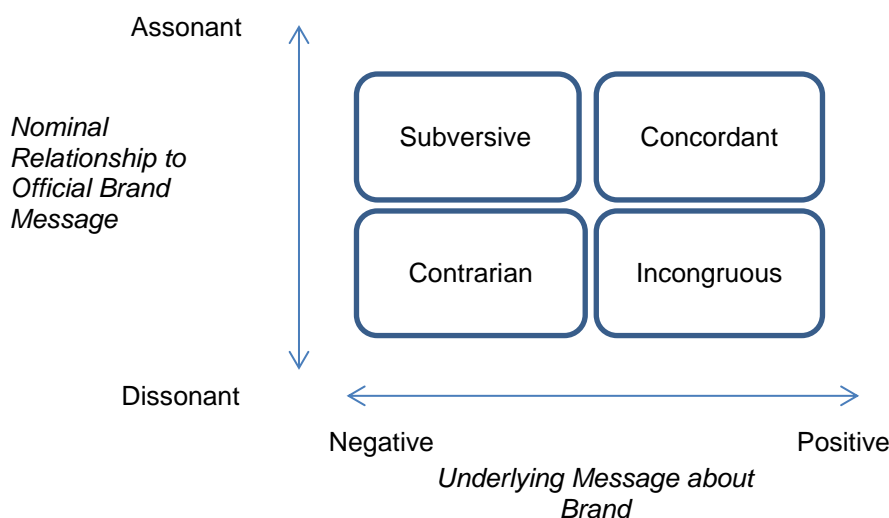
similar set of managerial strategies regarding consumer-generated advertising was proposed by Berthon et al. (2008): disapprove, repel, applaud or facilitate. The need to manage consumer-generated advertising has stimulated academic interest to CGA.

## 2.4 ATTITUDINAL AND BEHAVIOURAL CONSEQUENCES OF CONSUMER-GENERATED ADVERTISING

### 2.4.1 Diversity of CGA Types and Consumers' Responses

An increased level of autonomy in the average consumer brought about by the networked environment has introduced a diverse range of consumer-generated advertising. Academic research on consumer-generated advertising was pioneered by Berthon, Pitt and Campbell (2008). They first defined CGA and then classified it into four types (contrarian, incongruous, subversive and concordant) using two dimensions: nominal relationship to official brand message and underlying message about the brand (Berthon et al., 2008) (see Figure 2-1). To evaluate various examples of CGAs, Berthon et al. (2008) used a distinction between surface text and sub-text of brand messages in consumer advertising, analogous to the distinction between explicit and implicit meaning. In doing so, researchers were inspired by the Stanislavsky method widely used by theatre and movie actors. This method distinguishes between the face-value meaning of words or actions and their underlying meaning (Berthon et al., 2008).

**Figure 2-1:** Types of Consumer-Generated Ads (Berthon et al., 2008)



As observed by researchers, all four types of consumer-generated advertising differ at their “sub-text” level (Berthon et al., 2008), and therefore communicate a brand message in multiple ways. For instance, concordant CGA implies consensus of surface text and subtext; it is positive towards the brand and in agreement with the official company’s message (Berthon et al., 2008). Meanwhile, subversive consumer-generated ads carry a negative subtext, despite being superficially in accord with the official brand message (Berthon et al., 2008). With incongruous consumer-generated ads the opposite is true, in that “the surface message

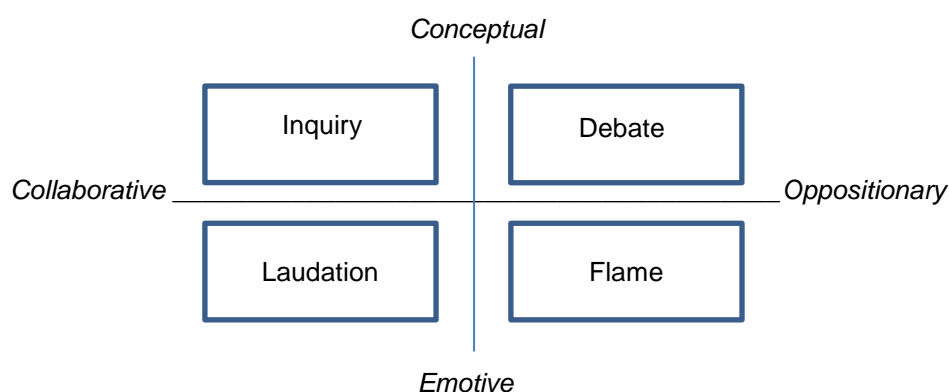


is dissonant with that of the official brand message, yet the underlying text is generally positive towards the brand” (Berthon et al., 2008, p. 15). Contrarian CGAs are both divergent from the official company’s communications and negative towards the brand (Berthon et al., 2008).

Individual responses to consumer-generated ads vary, which was demonstrated in previous research using a netnographic approach (Campbell, Pitt, Parent, & Berthon, 2011b; Ertimur & Gilly, 2012; Lawrence et al., 2010; Lawrence et al., 2013; Pehlivan, Sarican, & Berthon, 2011). This involved collecting ethnographic data, such as online conversations, by using publicly available information in online forums (Kozinets, 2002). In particular, online comments surrounding consumer-generated ads uploaded to video sharing web sites such as YouTube demonstrate that viewers tend to respond differently to different types of CGAs (Campbell, Pitt, Parent, & Berthon, 2011a; Campbell et al., 2011b; Ertimur & Gilly, 2012). For example, CGAs produced for intrinsic enjoyment and self-promotion were found to generate positive but very brief responses (Campbell et al., 2011a). Meanwhile, those CGAs aimed at changing the perceptions of others and created with mixed motives were reported to produce more sophisticated and well-articulated responses (Campbell et al., 2011a). However, the most active discussion among consumers has been triggered by contrarian CGAs (Pehlivan et al., 2011), defined as consumer-generated ads with the greatest deviation from the company’s official advertising both in its message and its attitude (Berthon et al., 2008).

Response to consumer-generated advertising can be either conceptual, meaning that it is related to the concept of CGAs, or emotional and determined by viewers’ emotions (Campbell et al., 2011b). Simultaneously, on another level, consumers’ attitudinal reactions can be either collaborative or “oppositional” (Campbell et al., 2011b, p. 96) (see Figure 2-2).

**Figure 2-2:** Archetypes of Consumer Conversations about Consumer-Generated Ads (Campbell et al., 2011b)



Collaborative responses indicate that “the viewer is mostly on the side of, and desires to intellectually ‘work with’ the ad’s creator and other viewers” (Campbell et al., 2011b, p. 96).

On the other hand, “oppositional” responses describe where “the viewer is antagonistic or hostile toward the ad, and/or its creator” (Campbell et al., 2011b, p. 96). Accordingly, online conversations surrounding CGAs are classified into four response archetypes: collaborative – conceptual “inquiry”; collaborative – emotive “laudation”; “oppositional” – conceptual “debate”; and “oppositional” – emotive “flame” (Campbell et al., 2011b, pp. 96-97) (see Figure 2-2). This classification indicates that attitudes to CGA can be either cognitive or affective, and secondly, disposition towards the ad source has a marked effect on CGA outcomes. Highlighting a great variety of possible responses, this study, however, does not examine which attitudes are most likely to emerge within the audience exposed to consumer-generated brand communication.

Apart from the content and motivations, consumer-generated advertising can be also classified according to its source. Some researchers identify three types of CGA: unsolicited CGA (consumer-generated advertising emerged naturally, without marketing facilitation), contest CGA (ads submitted by consumers for advertising competitions organised by companies) and company ads (advertising created by companies or professional advertising agencies) (e.g. Ertimur & Gilly, 2012). However, most studies focus on just two types: ads labelled as consumer-generated, and those emanating from an undisclosed source. The latter are presumably perceived as company ads because traditionally produced ads are almost always broadcasted without a source identification (Lawrence et al., 2013; Steyn et al., 2011; Steyn et al., 2010; Thompson & Malaviya, 2013). This allows the investigation of the impact of CGA by simply attributing any advertisement to a consumer’s source and examining the difference in responses caused by this experimental manipulation (Lawrence et al., 2013; Thompson & Malaviya, 2013).

Nevertheless, CGAs that have originated from different sources also differ in their content. Contest CGAs have a structure and content similar to company ads (Ertimur & Gilly, 2012). Not unlike traditional advertising, contest CGA demonstrates that a product will solve a consumer’s problem. This type of consumer-generated ad often uses humour, takes a form of drama and usually does not show a product until the very end of the ad, first aiming at generating empathetic emotional appeal (Ertimur & Gilly, 2012). Unsolicited CGAs, in contrast, have a very different look. As opposed to company ads and contest CGAs, most unsolicited consumer-generated ads are presented as a form of demonstration; they usually show a product throughout the ad and explain how to use it, employing both emotional and source appeals (Ertimur & Gilly, 2012).

## 2.4.2 Inconsistencies in Research Literature

Prior research has focused on the attitudinal and behavioural consequences of consumer-generated advertising, and has produced contradictory results. Two research streams are particularly distinctive. The first, led by Lawrence et al. (2010, 2013) argues that CGA exemplifies performance advantages over ads with no source: “the ad creator – a personalized, identifiable, and relatable entity in the case of CGAs – plays a central role in anchoring and shaping ad reactions. The impact of ‘consumer-made’ characteristics – the fact that CGAs are made not by companies but by independent people – is powerful and stands strong in the face of commercial motives” (Lawrence et al., 2013, p. 292). Researchers identified four key factors that contribute to CGA effectiveness: trustworthiness, identification with the ad creator, judgments of ad quality and viewer engagement (Lawrence et al., 2013). The qualitative data was also supported empirically.

The very first of several experimental studies conducted by Lawrence et al. (2010) into CGA, consisted of one factor between-subjects design – CGA vs. no source given (Lawrence et al., 2010). Two groups of participants were exposed to the same consumer-generated ad featuring a Toyota Yaris. One group was told that they were viewing a company ad, and the other was told that the ad was consumer-generated (Lawrence et al., 2010). The results from this study suggested that CGAs outperform company-sponsored ads across a number of dimensions. Specifically, individuals who were told that the ad was created by a consumer expressed more positive attitudes toward the ad, and had higher perceptions of quality, interest in the brand, purchase intentions and higher levels of trust. Additionally, the advertising source was shown to have a significant effect on personal relevance (Lawrence et al., 2010).

Later, the CGAs’ positive effects were confirmed by two additional experiments conducted by the same research team (Lawrence et al., 2013). Respondents who were told they were watching a consumer-generated ad demonstrated a more positive attitude towards the ad, higher brand interest and a stronger purchase intention than participants assigned to the ‘no source’ condition (Lawrence et al., 2013). Based on this evidence, researchers concluded that consumer-generated advertising is more persuasive compared to company advertising.

However, the second research stream showed less optimism towards CGA’s effectiveness (Campbell et al., 2011a, 2011b; Ertimur & Gilly, 2012; Steyn et al., 2011; Steyn et al., 2010), and specified conditions when the positive impact of CGA is more likely to occur (Thompson & Malaviya, 2013). Scholars from this perspective believe that introducing the consumer source does not guarantee advertising credibility (Ertimur & Gilly, 2012), and even may negatively affect the favourability of advertising responses because the audience

considers fellow consumers to be incompetent for brand communication (Thompson & Malaviya, 2013).

Some experimental studies did not detect CGA's performance advantages over company advertising (Steyn et al., 2011; Steyn et al., 2010). In a study designed by Steyn et al. (2010, 2011), respondents were exposed to a consumer-generated ad featuring the First Community Bank. Three source-effect variables were manipulated: creator (consumer vs. professional advertising agency), popularity (popular vs. unpopular peer reviews) and motivation (express creativity vs. enter a contest). Steyn et al. (2010, 2011) did not find that consumers prefer CGAs over advertising created by a professional agency. In addition, findings revealed that consumers become more critical of an ad when they are notified about the advertising's source, which heavily contradicts findings by Lawrence et al. (2013). Consistent with Ertimur and Gilly (2012), consumers who are aware about the CGA-creator's motivations become more critical in their evaluations of CGA (Steyn et al., 2011; Steyn et al., 2010). However, it should be noted that this experiment measured overall ad likeability without examining major predictors of advertising effectiveness, such as attitude towards the ad, attitude towards the brand or credibility.

One possible reason for CGA ineffectiveness is that viewers recognise a dual source of contest CGAs – a company and a consumer-creator (Ertimur & Gilly, 2012). As suggested by Ertimur and Gilly (2012), viewers act as ad critics, recognise the persuasive nature of CGA and judge how these ads will influence other consumers. When consumers evaluate a company ad, they understand its “staged nature” and assess its authenticity based on its “originality and extent to which the ad depicts self-relevant situations” (Ertimur & Gilly, 2012, p. 121). When consumers evaluate contest CGAs, they add more factors to their assessment; in addition to authenticity and persuasiveness, they evaluate the “production value of the ads and their suitability for advertising” (Ertimur & Gilly, 2012, p. 121). Here, the consumer judges the ad, the ad creator and the competition sponsor as well as all of the ad's components, such as the plot, acting, lighting and other features (Ertimur & Gilly, 2012). Therefore, researchers believe that CGAs are being evaluated as ads, separately from the products or brands advertised (Ertimur & Gilly, 2012).

A consequence of judging ads separately from brands and products is the potential decline in brand engagement. Online conversations surrounding consumer-generated ads often do not refer to brands themselves but instead focus on other issues related to CGA or raised by a given ad (Campbell et al., 2011a, 2011b; Ertimur & Gilly, 2012). Instead of discussing brands, online comments frequently refer to CGA-creators, ad production or important social problems such as justice, globalisation or poverty, and are often dependent on the ‘seeds’ of the conversations, represented by initial posts (Campbell et al., 2011a, 2011b). Ertimur and Gilly (2012) claim that only company ads elicit brand associations, while

CGA does not stimulate any brand thoughts. Although Pehlivan et al. (2011) reported the presence of product/brand theme in responses to both CGAs and company ads, they also noted that brands were described in more detail in online discussions of company ads than of CGAs (Pehlivan et al., 2011). This confirms that CGA-viewers often pursue ad evaluation goals instead of brand evaluation goals (Ertimur & Gilly, 2012).

Thus, regarding engagement with CGA, findings are contradictory. While some studies found individuals to be deeply engaged with both CGA ads and brands on cognitive, emotional and behavioural levels (Lawrence et al., 2013), others insist that CGA-viewers engage with the ads rather than brands, and perform much like ad critics (Ertimur & Gilly, 2012).

These two lines of research identifying the performance advantages and drawbacks of CGA reveal an apparent inconsistency. It opens debate on the overall effectiveness of consumer-generated advertising. Lawrence et al. (2013) believes in the power of consumer-generated advertising because, from the researchers' perspective, the audience is likely to adopt the viewpoint of a CGA-creator. Meanwhile, Ertimur and Gilly (2012) disagree and demonstrate that spectators can be highly critical of consumer-generated advertising because individuals experience pleasure while judging the ads of fellow consumers, just like they would enjoy judging a neighbour's creative artwork. Thus, according to them, responses to unsolicited CGA appear to be more sarcastic and negative in nature than those in response to both company ads and contest CGAs (Ertimur & Gilly, 2012).

One reason for viewers' heightening criticality to consumer-generated advertising is that CGA is not perceived as a final product. In fact, all consumer ads are perceived as ongoing projects (Ertimur & Gilly, 2012). That is why consumer-generated ads often receive substantially more criticism and recommendations compared to company advertising (Ertimur & Gilly, 2012). Company ads, however, are frequently seen as more humorous, better professionally produced and overall more effective than consumer ads (Ertimur & Gilly, 2012).

One of the major factors affecting CGA effectiveness is perceived credibility. However, the origins of CGA's credibility are also debatable. Here, Lawrence (2013) suggests that the consumer source enhances advertising trustworthiness, specifically because both CGA-creators and their ads are perceived as authentic. According to them, authentic CGAs are considered more trustworthy than company advertising (Lawrence et al., 2013). However, other researchers do not associate advertising authenticity with trustworthiness or credibility. For instance, Ertimur and Gilly (2012) found that unsolicited consumer ads are perceived as authentic, but not credible because the purpose and message of CGAs is "unconvincing in general" (Ertimur & Gilly, 2012, p. 125). Meanwhile, contest CGA is perceived as not authentic, but credible. Researchers argue that consumer-generated advertising is no longer a

novelty and lacks authenticity especially when it appears more professional (Ertimur & Gilly, 2012, p. 125).

Apart from authenticity, CGA's credibility can be influenced by the motives of consumers-creators. Simply the fact that a consumer-generated ad was created for a consumer advertising competition can produce a negative effect because contestants are driven by monetary interests (Ertimur & Gilly, 2012; Lawrence et al., 2013). The contest CGAs were perceived as 'framed by the company' through a set of defined contest rules. From this perspective, contest CGA is nothing but reinforcement of the existing brand image (Ertimur & Gilly, 2012). Meanwhile, unsolicited CGAs are perceived as being created freely and contributing to brand meaning (Ertimur & Gilly, 2012).

However, the empirical evidence conflicts over whether perceptions are negative towards CGA-creators' monetary motivations. One study provided an empirical support (Steyn et al., 2010), while another did not (Lawrence et al., 2013). A corresponding experiment by Lawrence et al. (2013) consisted of 2 x 2 between subject partial factorial design where ad source (CGA vs. company) and creator's motivation (economic vs. noneconomic) were manipulated. This study was aimed at examining the moderating role of a CGA-creator's motivations in relation to CGA's effects on trustworthiness (Lawrence et al., 2013). Participants were exposed to a contest CGA featuring Amazon Kindle. Results of this experiment revealed that these ads and their creators are perceived as more trustworthy than company ads. CGA-creators' motives, however, did not significantly affect ad outcomes (Lawrence et al., 2013).

Perceptions of CGA's quality and its subsequent implications have been also debated. Different studies refer to the quality of CGA's production as either a source of critique, or a source of appraisal. Consumers' ads are largely criticised for resembling "home video because of its amateur style and low quality" (Ertimur & Gilly, 2012, p. 124). Although the audience perceives consumer-generated ads as "original and real", they wish them to be produced at a more professional level (Ertimur & Gilly, 2012, p. 124).

In contrast, Lawrence et al. (2013) found that ad quality-related comments for CGAs are nearly always exclusively positive. The third experiment by Lawrence et al. (2013) on CGA effectiveness consisted of 2 x 2 between-subjects factorial design where the advertising source (consumer-generated ad vs. no source given) and advertising quality of production (high vs. low) were manipulated (Lawrence et al., 2013). The goal of this study was to identify whether an individual's judgment of ad quality is different for consumer-generated and company ads. Respondents were exposed to the Toyota Yaris consumer-generated ad, whose quality was in the middle range, neither technically superior, nor inferior. Findings revealed that ad quality judgments for CGA are more favourable than for ads without a disclosed source (Lawrence et al., 2013). As suggested by Lawrence et al. (2013), consumers

have different expectations of advertising quality. Company ads are expected to have higher production quality, while CGAs are expected to be more original and authentic. As a result, viewers apply lower standards to the quality of CGA than they would towards company ads (Lawrence et al., 2013). Consequently, the audience tends to favour CGA because of their disconfirmed expectations of poor quality and “differential weighting of other advertising attributes such as authenticity and creativity” (Lawrence et al., 2013, p. 297).

Although evidence for ‘pros’ and ‘cons’ of consumer-generated advertising appears to be controversial, specific conditions identifying when CGA performs better were highlighted. Thompson and Malaviya (2013) proposed a scepticism-identification model of ad creator influence. They hypothesised that disclosing a particular ad to be created by a consumer can trigger two opposite effects: scepticism about the competence of ad creator and identification with the ad creator (Thompson & Malaviya, 2013). Scepticism emerges when “consumers challenge the ability of the ad creator to design effective advertising” (Thompson & Malaviya, 2013, p. 44). Identification, on the other hand, “results from consumers perceiving similarities with the ad creator” (Thompson & Malaviya, 2013, p. 44). The findings revealed that CGA effectiveness depends on factors that reduce scepticism and enhance identification with the ad creator (Thompson & Malaviya, 2013). Overall, three factors were identified that increased the persuasiveness of consumer-generated advertising. That is, labeling an ad as consumer-generated may be effective “when the audience (1) has limited cognitive resources to scrutinize the message, (2) is given background information about the ads creator that enhances source similarity, and (3) has high loyalty toward the brand” (Thompson & Malaviya, 2013, p. 33). A summary on CGA research is presented in Table 2-1.

**Table 2-1: Key Findings on CGA**

<i>Findings</i>	<i>Source</i>	<i>Research Method</i>
Four types of CGA classified by the difference in explicit and implicit meaning	Berthon et al. (2008)	Qualitative
Three motivations of CGA-creators	Berthon et al. (2008)	Qualitative
Analysis of responses to different types of CGAs, and CGAs created due to different motivations	Campbell et al. (2011a)	Qualitative
Classification of viewers' responses to CGA	Campbell et al. (2011b)	Qualitative
Difference in the content of unsolicited CGA, contest CGA and company ads	Ertimur and Gilly (2012)	Qualitative
CGA outperforms company advertising across major attitudinal response variables	Lawrence et al. (2010, 2013)	Qualitative and Quantitative
CGA does not have performance	Steyn et al. (2010, 2011)	Quantitative

advantages over company advertising		
Viewers act as ad critics when exposed to CGA	Ertimur and Gilly (2012)	Qualitative
When exposed to CGA, viewers engage solely with ads, but not with brands that they advertise	Campbell et al. (2011a, 2011b), Ertimur and Gilly (2012), Pehlivan et al. (2011)	Qualitative
Responses to unsolicited CGA are more negative than responses to both contest and company ads	Ertimur and Gilly (2012)	Qualitative
CGAs are perceived as ongoing projects, not final products	Ertimur and Gilly (2012)	Qualitative
CGA is more trustworthy than company ads	Lawrence et al. (2010, 2013)	Qualitative and Quantitative
Unsolicited CGAs are authentic, but not credible. Contest CGAs are not authentic, but credible	Ertimur and Gilly (2012)	Qualitative
Monetary motivations of CGA-creators produce negative attitudinal effect	Ertimur and Gilly (2012), Steyn (2010, 2011), Lawrence et al. (2013) in qualitative stage	Qualitative and Quantitative
Monetary motivations of CGA-creators do not have any effect on ad perceptions	Lawrence et al. (2013)	Quantitative
CGA is criticised for low quality	Ertimur and Gilly (2012)	Qualitative
Viewers evaluate CGA's quality to be higher than that of company ads	Lawrence et al. (2013)	Qualitative and Quantitative
Skepticism-identification model of ad creator influence	Thompson and Malaviya (2013)	Quantitative
Three factors of CGA effectiveness: (1) limited cognitive resources to scrutinise the message, (2) background information about the ad's creator that increases source similarity and (3) loyalty towards the brand	Thompson and Malaviya (2013)	Quantitative
Four factors of CGA effectiveness: trustworthiness, identification with the ad creator, judgments of production quality and viewer engagement	Lawrence et al. (2013)	Qualitative and Quantitative
Identification with a CGA-creator was not supported in experimental testing		



### 2.4.3 Methodological and Moderator Explanations of Inconsistencies

Explanations of widespread inconsistencies in the CGA research can be classified into two main categories: methodological explanations that attribute contradictions in findings to differences in research methods and measurement scales, and moderator variable explanations that suggest conflicting results may depend on other variables.

#### *Methodological Explanations*

The inconsistencies found with attitudinal and behavioural consequences of consumer-generated advertising could be due to methodological differences. Researchers used a number of approaches while researching CGA: quantitative methods (Steyn et al., 2011; Steyn et al., 2010; Thompson & Malaviya, 2013), qualitative methods (Campbell et al., 2011a, 2011b; Ertimur & Gilly, 2012; Pehlivan et al., 2011) and mixed methods (Lawrence et al., 2013).

Among the qualitative studies, some employed solely observational netnography (Campbell et al., 2011a, 2011b; Lawrence et al., 2013; Pehlivan et al., 2011), while others combined their netnographic findings with in-depth interviews (Ertimur & Gilly, 2012). From a methodological point of view, drawing conclusions about CGA effects exclusively from online postings is problematic because not all viewers leave their comments. This introduces a methodologically driven bias. Hence, online conversations critiquing consumer ads do not include the opinions of so-called 'lurkers', who behave passively online and are estimated to represent the largest proportion of Internet users: approximately 52 per cent (Arnhold, 2010). Therefore, studies using a netnographic approach in experimental design consider only the active part of the CGA audience, ignoring possibly the largest segment (Campbell et al., 2011a, 2011b; Lawrence et al., 2013; Pehlivan et al., 2011) and introducing a level of bias. However, Ertimur and Gilly (2012) augmented their study relying on netnographic data with 14 in-depth interviews, thus obtaining a more enriched set of data concerning critical evaluations of consumer-generated advertising.

Netnographic data also significantly varies across the studies. Two studies analysed a large number of consumer-generated ads from entire CGA campaigns (Ertimur & Gilly, 2012; Pehlivan et al., 2011), while the rest analysed online comments on several selected CGAs of different brands (Campbell et al., 2011a, 2011b; Lawrence et al., 2013). Thus, Ertimur and Gilly (2012) analysed postings about 1 company ad, 134 contest CGAs and 56 unsolicited CGAs of a single brand, and Pehlivan et al. (2011) analysed comments on 49 CGAs also for one brand. However, Lawrence et al. (2013) examined postings for eight CGAs created for three different brands, while Campbell et al. (2011a, b) studied online comments on four CGAs

for two and three different brands respectively. Therefore, investigating successful consumer-generated ads as opposed to examining entire CGA campaigns, including both popular and not so popular CGA, will inevitably produce controversial results.

Some qualitative studies contained spoof ads (Campbell et al., 2011b) and subvertising (Pehlivan et al., 2011), which attracted an enormous number of comments, 23,266 and 8,570 respectively. The number of examined postings for the remaining CGAs was relatively moderate: 2,672 comments (Ertimur & Gilly, 2012), 755 comments (Campbell et al., 2011b) and 729 comments (Lawrence et al., 2013).

For the quantitative studies, researchers employed different experimental procedures. Some studies used online panels for data collection (Lawrence et al., 2013; Steyn et al., 2011; Steyn et al., 2010), while others had participants attend group experimental sessions (Thompson & Malaviya, 2013). Dependent measurements also vary across experiments. Steyn (2010, 2011) was measuring the CGAs' outcomes using Schlinger's Viewer Response profile, which evaluates participants' subjective feelings about TV commercials based on entertainment value, confusion, brand reinforcement, relevant news, empathy, familiarity and alienation, as well as measuring the overall ad likeability. However, other studies applied a variety of more specific outcome variables (Lawrence et al., 2013; Thompson & Malaviya, 2013).

#### *Moderator Variable Explanations*

Another explanation for the inconsistent findings may be that the effects of consumer-generated advertising are moderated by other variables. One of the factors that may have generated the different outcomes is product involvement. Some studies were examining the effects of CGAs for high-involvement products represented by Chevrolet, Amazon Kindle, Toyota Yaris, Apple, The First Community Bank and Tourism Australia (Campbell et al., 2011a, 2011b; Lawrence et al., 2013; Pehlivan et al., 2011; Steyn et al., 2011; Steyn et al., 2010; Thompson & Malaviya, 2013). Other studies, however, exposed participants to CGAs of low-involvement products represented by Proctor and Gamble's Tide, Unilever's Dove Cream, Starbucks and Doritos (Campbell et al., 2011b; Ertimur & Gilly, 2012; Lawrence et al., 2013; Thompson & Malaviya, 2013). Therefore, different levels of product involvement have possibly influenced responses to advertisements.

Another potential moderating factor is brand familiarity. Only one study used a relatively unfamiliar brand: The First Community Bank (Steyn et al., 2011; Steyn et al., 2010). Meanwhile, the majority of CGA studies investigate familiar and popular brands (Ertimur & Gilly, 2012; Lawrence et al., 2013). It is known that prior knowledge about the stimulus object

(e.g. brand) can cause bias in message elaboration (Biek, Wood, & Chaiken, 1996; Chaiken, Liberman, & Eagly, 1989; Petty & Wegener, 1999).

Finally, respondents were exposed to ads of significantly different quality, which may have caused the inconsistent results. Some studies used only the winning ads of competitions' finalists and the most viewed CGAs on YouTube (Campbell et al., 2011b; Lawrence et al., 2013). Other studies exposed respondents to a range of CGAs for which quality varied (Ertimur & Gilly, 2012; Pehlivan et al., 2011). Some experiments included neutral ads that could be either company or consumer-generated (Steyn et al., 2011; Steyn et al., 2010). Apparently, focusing exclusively on the award-winning consumer ads cannot provide a full understanding of the CGA phenomenon. Those most-viewed and best-rated CGAs instead represent only a small proportion of consumer-generated ads. Thus, the observed effects of award-winning CGAs cannot be generalised as representative of the majority of submitted consumer-generated ads, which are heterogenic in their production quality and concepts.

**Table 2-2:** Moderator Variable Explanations of Inconsistencies

<i>Potential Moderator</i>	<i>High Values in Stimulus Ads</i>	<i>Low Values in Stimulus Ads</i>
Product Involvement	High Involvement products  (Campbell et al., 2011a, 2011b; Lawrence et al., 2013; Pehlivan et al., 2011; Steyn et al., 2011; Steyn et al., 2010; Thompson & Malaviya, 2013)	Low Involvement products in stimulus ads  (Campbell et al., 2011b; Ertimur & Gilly, 2012; Lawrence et al., 2013; Thompson & Malaviya, 2013)
Brand Familiarity	High Brand Familiarity  (Ertimur & Gilly, 2012; Pehlivan et al., 2011)	Low Brand Familiarity  (Steyn et al., 2011; Steyn et al., 2010)
Ad Production Quality	High Quality  (Campbell et al., 2011b; Lawrence et al., 2013)	Low and High Quality  (Ertimur & Gilly, 2012; Pehlivan et al., 2011)

## 2.5 SOURCE SIMILARITY AND OPINION CHANGE

### 2.5.1 Source Effects in Communication

'Source of information' is a multidimensional construct. Its conceptualisation has been extended significantly from its inception, when two dimensions of the source, expertise and trustworthiness, were identified by Hovland, Janis and Kelley (1953) in the early 1950s. McGuire (1985) expanded this construct with additional source variables such as source attractiveness and source power. Especially in light of the increased academic interest in celebrity endorsers in 1990s, attractiveness was recognised to be as important for source credibility as expertise and trustworthiness (McCracken, 1989; Ohanian, 1991). Since then, attractiveness has been commonly included in the general source credibility measurement scale (Ohanian, 1990).

Source similarity is defined as a "supposed resemblance between the source and receiver of the message" (McCracken, 1989, p. 311). Individuals can be similar in many ways, such as their attitudes or personal characteristics. While some studies differentiate between the major dimensions of similarity, such as: demographic, attitudinal and situational similarity (Lowry, 1973), others evaluate similarity using the unitary concept of 'a person like me' (Leavitt & Kaigler-Evans, 1975). An attitudinal similarity refers to "what the communicator thinks in general about all issues unrelated to the issue which is the subject of the persuasive message, and the degree of correspondence between his attitudes and the attitudes of the recipient" (Lowry, 1973, p. 195). On the other hand, situational similarity refers to a common relationship that the communicator and recipient have regarding some past or present situation or experience (Lowry, 1973).

Initially, source similarity was viewed as part of the larger concept of source attractiveness. Specifically, source similarity acts as a cue indicating attractiveness along with familiarity, likeability and physical attractiveness (McGuire, 1985). This is supported by a large body of psychological research, which provides ample evidence that similarity is a major determinant of attractiveness (e.g. Byrne, Griffitt, & Stefaniak, 1967; Byrne & Nelson, 1965; Montoya & Horton, 2013; Montoya, Horton, & Kirchner, 2008).

A strong positive relationship between similarity and attractiveness is well established. It was found that attraction towards another individual displays a positive linear function of similar attitudes (Byrne & Nelson, 1965) or a positive linear function of similar personality characteristics (Byrne et al., 1967). Studies have repeatedly demonstrated that individuals find attractive those people who hold similar attitudes and opinions (Clore & Baldridge, 1968; Condon & Crano, 1988; Singh, 1973). In social psychology, this similarity-attraction

relationship was labelled as the principle 'law of attraction' (Montoya et al., 2008; Yeong Tan & Singh, 1995).

As an alternative to the similarity-attraction hypothesis (Byrne & Nelson, 1965), a dissimilarity-repulsion hypothesis was proposed by Rosenbaum (1986). The latter predicts that attitude similarity does not lead to liking; instead, attitude dissimilarity leads to disliking (Rosenbaum, 1986). After testing both hypotheses, the similarity-attraction effect was confirmed among individuals from the older age group; meanwhile, the dissimilarity-repulsion effect was observed within the younger audience (Tan, Tze & Singh, 1995). It was also found that dissimilarity-repulsion is a more powerful psychological process than similarity-attraction (Singh & Ho, 2000).

An attractive source was found to be more persuasive than an unattractive one (Sampson & Insko, 1964), especially when the first advocates an undesirable position (Eagly & Chaiken, 1975). Notably, source attractiveness works in a different mode of persuasion than source credibility (McGuire, 1985). When an individual judges the source credibility based on expertise and trustworthiness, this process reflects the internalisation mode of persuasion<sup>1</sup> (McGuire, 1985). Internalisation occurs when an individual is "trying to form an objectively correct attitude and is concerned with the validity of the information" (McGuire, 1985, p. 262). However, when the source is judged based on its attractiveness, persuasion occurs in the introjection mode meaning that receivers are "trying to enhance their self-images by identifying with or being in a positive relationship to a source" (McGuire, 1985, p. 262).

Being closely related to attractiveness, a similar source was also found to be more influential for opinion change. A number of studies show that people tend to be persuaded more by similar than dissimilar communicators (Berscheid, 1966; Brock, 1965; Hilmert, Kulik, & Christenfeld, 2006; Mills & Jellison, 1968). It has been demonstrated that communication is likely to be more persuasive when a communicator is thought to have feelings similar to the audience he/she is addressing (Mills & Jellison, 1968), or when a communicator is believed to have a relationship to an object similar to that which a receiver possesses (Brock, 1965). Overall, people's responses to stimuli are more congruent with the responses of similar individuals than dissimilar individuals, and dissimilar communicators may induce negative opinion modelling (Hilmert et al., 2006). Furthermore, similarities that are relevant to the communicator's persuasive attempt produce a significantly greater opinion change than irrelevant similarities (Berscheid, 1966).

Exclusions to similarity-based persuasion also exist. Sometimes communicator-receiver dissimilarities may have even a positive effect on persuasion (Simons, Berkowitz, &

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<sup>1</sup> Three modes of persuasion have been identified: internalisation, introjection and compliance (Kelman, 1961)

Moyer, 1970). For example, when the audience has strong negative attitudes towards an object, but experiences disconfirmation of those negative expectancies, even the least similar communicator may be perceived in a favourable way (Lowry, 1973; Smith, 1970). According to another explanation, a less similar source may appear more persuasive because of its novelty and unfamiliarity, and the increased levels of arousal that they can produce (Leavitt & Kaigler-Evans, 1975). Finally, a similar communicator can cause a negative attitudinal effect if he or she is suspected to be untrustworthy. This is when a receiver realises that another individual is pretending to be similar in order to force an opinion change, while the real intention of this communication is interpreted as manipulation (McGuire, 1985).

### **2.5.2 Consumer as a Similar Communicator**

Source-receiver similarities are often used in marketing communications. Traditional media often relies on testimonials and employs 'common ground techniques' that highlight communicator-receiver commonalities to increase the persuasion effect (Simons et al., 1970). However, in the networked society, the consumer source is pervasive within online media content and its similarity to the audience provides the capability to produce desirable opinion changes. Over the last decade, research has been examining the impact of online media content and its results demonstrate the persuasive power of the consumer as a similar communicator (e.g. Chang, 2011; Goldsmith & Horowitz, 2006).

A large number of empirical studies show that product-related information presented by other consumers can be more effective than similar information presented by a company (Chang, 2011; Cheong & Morrison, 2008; Goldsmith & Horowitz, 2006; Senecal & Nantela, 2004). It was found that consumer-created information generates more interest (Bickart & Schindler, 2001) and higher likelihood for recommending the product (Gruen, Osmonbekov, & Czaplewski, 2006) compared to corporate web-pages. Overall, e-WOM (electronic word of mouth) was found to be more persuasive than company advertising (Goldsmith & Horowitz, 2006).

Consumer-generated information is often perceived as highly credible as opposed to that sourced from traditional media (Johnson & Kaye, 2004). Scholars attribute the consumer source credibility effect to opinion independence (Johnson & Kaye, 2004) and the personal experience of other consumers (Cheong & Morrison, 2008). For example, readers appreciate blogs because this format is seen to promote an author's freedom: "bloggers are not bound by ethical and professional standards of trained journalists [...] Similarly, bloggers are not bound by standards of objectivity; most have strong views which they express openly" (Johnson & Kaye, 2004, p. 624). However, studies on service marketing specify that a similar endorser appears to be more persuasive than an expert endorser only in a situation of high-preference

heterogeneity; that is, when people substantially vary in their preferences and tastes (Feick & Higie, 1992; Price, Feick, & Higie, 1989).

Findings about the effects of similar endorsers on purchase intentions are, however, ambiguous. Some studies indicate that consumers who receive positive recommendations about the product are twice as likely to purchase it (Senecala & Nantela, 2004), while other studies did not find a significant effect on repurchase intentions (Gruen et al., 2006). It was noted that source similarity was especially important for consumers who are concerned with “mis-purchase” (Chang, 2011) and may be moderated by current consumption goals (Zhang, Craciun, & Shin, 2010). An alternative point of view suggests that the volume of online posting might be a more important predictor for sales than the content of online reviews, indicating the vital role that increased awareness plays (Duan, Gu, & Whinston, 2008). Nevertheless, there is evidence showing that consumers are willing to spend more time considering a product recommended by similar others (Gupta & Harris, 2010). Even if consumers have low motivation to process information, they are likely to include the recommended products in their limited search and consideration efforts (Gupta & Harris, 2010).

### **2.5.3 Underlying Psychology of Similarity Identification and Effects**

Previous research on consumer-generated advertising discusses the importance of identification with the consumer source originating from a perceived similarity with the CGA-creator (Lawrence et al., 2013; Thompson & Malaviya, 2013). During an experimental study, Lawrence et al. (2013) had to reject a hypothesis concerning the perceived similarity between a CGA-viewer and CGA-creator. However, Thompson and Malaviya (2013) noted that identification with the consumer source can be enhanced by providing the audience with background information about the ad creator.

One of the theories that explains why individuals may find other people similar or dissimilar is found in the psychological theory of social comparisons. Developed by Leon Festinger (1954), it has informed more than three decades of active research (Goethals, 1986).

Ubiquitous social comparisons – comparisons between the self and others, – are a fundamental psychological mechanism that influences attitudes, judgements, experiences and behaviour (Corcoran, Crusius, & Mussweiler, 2011). Disclosing a consumer source can trigger the process of social comparisons (Thompson & Malaviya, 2013), and will determine a degree of perceived similarity between CGA-viewer and CGA-creator.

### *Why Would Ad Viewers Engage in Social Comparisons?*

The theory of social comparison incorporates nine hypotheses (see Table 2-2), which are specified with eight corollaries and eight deviations (Festinger, 1954). Hypotheses I and II explain what motivates people to engage in social comparisons. Festinger (1954) proposes that when individuals are uncertain about their opinions and abilities, and when objective evidence is unavailable, they make comparisons with the opinions and abilities of others for the purpose of self-evaluation. The original theory emphasises that individuals want to have 'correct' opinions, and are willing to perform an accurate evaluation of their own abilities because mistakes "can be punishing or even fatal in many situations" (Festinger, 1954, p. 117).

**Table 2-3:** Theory of Social Comparison: Initial Propositions (Festinger, 1954)

No	Hypothesis
I	There exists, in the human organism, a drive to evaluate his opinions and his abilities.
II	To the extent that objective, non-social means are not available, people evaluate their opinions and abilities by comparison respectively with the opinions and abilities of others.
III	The tendency to compare oneself with some other specific person decreases as the difference between his opinion or ability and one's own increases.
IV	There is a unidirectional drive upward in the case of abilities which is largely absent in opinions.
V	There are non-social restraints which make it difficult or even impossible to change one's ability. These non-social restraints are largely absent for opinions.
VI	The cessation of comparison with others is accompanied by hostility or derogation to the extent that continued comparison with those persons implies unpleasant consequences.
VII	Any factors which increase the importance of some particular group as a comparison group for some particular opinion or ability will increase the pressure toward uniformity concerning that ability or opinion within that group.
VIII	If persons who are very divergent from one's own opinion or ability are perceived as different from oneself on attributes consistent with the divergence, the tendency to narrow the range of comparability becomes stronger.
IX	When there is a range of opinion or ability in a group, the relative strength of the three manifestations of pressures toward uniformity will be different for those who are close to the mode of the group than those who are distant from the mode. Specifically, those close to the mode of the group will have stronger tendencies to change the position of others, relatively weaker tendencies to narrow the range of comparison, and much weaker tendencies to change their position compared to those who are distant from the mode of the group.



However, in contrast to these initial propositions, the evolved theory of social comparison holds that people do not always seek accurate feedback about themselves, rather they make comparisons that satisfy their individual goals and are aimed at creating and maintaining positive self-image (Taylor & Lobel, 1989; Wood, 1989). Therefore, apart from self-evaluation, social comparisons may fulfil other fundamental human needs such as self-enhancement and self-improvement (Kruglanski & Mayseless, 1990; Suls, Martin, & Wheeler, 2000).

Individuals having self-enhancement motives are more likely to seek downward comparisons with those “who are inferior or less fortunate than oneself” (Wood, 1989, p. 234) or who perform worse than oneself (Wills, 1981). Meanwhile, individuals who have a need for self-improvement attempt to learn how to advance from upward comparisons with those who are better than themselves (Thornton & Arrowood, 1966; Wheeler, 1966). Those individuals will assume similarity with someone who appears to be slightly superior in a particular ability and then will attempt to confirm it (Wheeler, 1966).

Another possible explanation of why people engage in social comparisons can be found by looking at efficiency in information processing and high speed evaluations (Mussweiler & Epstude, 2009). Comparisons in general, and social comparisons specifically, enable faster information processing because they limit the range of information that must be considered while evaluating an object (Mussweiler & Epstude, 2009). Therefore, while judging in a comparative manner, people rely on less information and as a result, gain an efficiency advantage (Mussweiler & Epstude, 2009).

Thus, drawing from the theory of social comparisons, ad viewers may engage in social comparisons firstly to evaluate their opinions about products and brands, and secondly, to evaluate their ability to create a CGA if they wish to do so. Previous marketing literature was primarily focused on an opinion change produced by similar communicators (e.g. Berscheid, 1966; Brock, 1965; Hilmert et al., 2006; Mills & Jellison, 1968), without considering that similar communicators can also influence individuals’ perceptions of their own abilities (Festinger, 1954). However, it explains an observation made by Ertimur and Gilly (2012) that viewers act as ad critics when watching CGA; they enjoy judging ads created by fellow consumers and process them separately from the brands advertised there (Ertimur & Gilly, 2012). This is because individuals tend to compare with others not only their opinions, but also their abilities (Festinger, 1954). Therefore, overall identification with the source can emerge from the sense of similarity based on comparison of one’s opinions and artistic abilities with CGA-creators.

### *Who Would CGA Viewers Compare Themselves To?*

Hypotheses III, IV and VIII in the theory of social comparison predict with whom people will compare themselves. Festinger (1954) suggests that people compare themselves to similar others: “given a range of possible persons for comparison, someone close to one’s own ability or opinion will be chosen for comparison” (Festinger, 1954, p. 121). The theory specifies that “the tendency to compare oneself with some other specific person decreases as the difference between their opinion or ability and one’s own increases” (Festinger, 1954, p. 120). Following these arguments, Festinger (1954) suggests that if someone’s opinion or abilities are too divergent, a comparison with such a person will be avoided because any results would be ambiguous and therefore not useful. Thus, to gain accurate self-knowledge or verify correctness of their opinions, people will “select comparison standards that are similar to themselves on a critical dimension” (Corcoran et al., 2011, p. 124).

Much empirical evidence supports the hypothesis that people compare themselves with others who are similar on a critical dimension (Gruder, 1971; Wheeler, 1966) as well as on relative attributes (Arrowood & Friend, 1969; Butzer & Kuiper, 2006; Feldman & Ruble, 1977; Gastorf & Suls, 1978; Goethals & Nelson, 1973; Gorenflo & Crano, 1989; Gruder, Korth, Dichtel, & Glos, 1975; Hakmiller, 1966; Miller, 1982; Suls, Gaes, & Gastorf, 1979; Suls, Gastorf, & Lawhon, 1978; Wheeler, Koestner, & Driver, 1982; Zanna, Goethals, & Hill, 1975).

However, individuals will not necessarily compare themselves with similar others. As already discussed, downward comparisons can be used for self-enhancement and upward comparisons can be used for self-improvement (Corcoran et al., 2011; Wheeler, 1966; Wills, 1981; Wood, 1989). Alternatively, individuals may apply routines for comparisons; that is, instead of engaging in the complex task of selecting the most diagnostic comparison standard, they may skip the selection phase and simply use a standard they routinely use for self-comparisons, such as their best friend (Aarts & Dijksterhuis, 2000; Betsch, Haberstroh, Glöckner, Haar, & Fiedler, 2001; Verplanken & Aarts, 1999; Verplanken, Aarts, Knippenberg, & Knippenberg, 1994). Individuals may simply have a person with whom they habitually compare themselves.

Therefore, the motivations of consumers-viewers will be critical for determining a degree of perceived similarity with CGA-creators. Depending on their personal goals, an individual may not necessarily perform an accurate comparison with a fellow consumer-creator who expresses similar views and has similar creative abilities. Instead, driven by a motive of self-improvement, the viewer may carry out comparisons with those CGA-creators who are more skilful and produce professionally-looking ads. On the other hand, driven by a motive of self-enhancement, viewers may be comparing themselves with authors of the poorest

consumer-generated ads. Hence, perceived similarity, but not actual similarity with CGA-creators, will have a major impact on source identification.

#### *How Do Social Comparisons with CGA Creators Influence CGA Viewers?*

In his original theory, Festinger (1954) predicts a “pressure towards uniformity” of abilities and opinions with an attractive group that would result in assimilation<sup>2</sup> (Festinger, 1954, p. 131). That means the more a group seems attractive to an individual, the greater pressure this person would experience to change his or her opinion in order to reduce discrepancies with the group. According to Festinger (1954), uniformity of opinions can be achieved in three ways: a person may either change his/her own position, or attempt to change the position of others, or restrict the range within which a comparison is made. Conversely, an unattractive group may have not enough power to produce an opinion change (Festinger, 1954).

Lately, the direction and influence of social comparison has been vigorously debated (Corcoran et al., 2011). Further research shows that individuals can either assimilate to, or contrast<sup>3</sup> away from, comparison standards (Corcoran et al., 2011; Mussweiler, 2003). Individuals are more likely to ‘contrast’ if a standard provides an extreme opinion or ability level, if the standard belongs to an out-group (Corcoran et al., 2011), or if self-knowledge holds a clear understanding of the implications of an upcoming self-evaluation. Meanwhile, individuals are more likely to ‘assimilate’ if a standard is moderate, if the standard belongs to the same category as the self, or self-knowledge is ambiguous with regards to the dimensions on which the self-evaluation occurs (Mussweiler, 2003). However, the very same comparison may produce opposite results – assimilation or contrast – depending on the type of judgement that was used during this evaluation (Mussweiler, 2003).

To explain why target evaluations sometimes contrast away from a comparison standard and sometimes assimilate toward it, Mussweiler (2003) developed the Selective Accessibility Model (see Figure 2-1). This model explains that opposite effects of social comparisons can be caused by a change in self-knowledge that is accessible at the time the judgement is made (Mussweiler, 2003). As suggested by Mussweiler (2003), each time during a comparison process, individuals test one of two hypotheses: either a possibility that a target is similar to a standard or the possibility that the target is dissimilar from the standard (Mussweiler, 2003; Mussweiler, Ruter, & Epstude, 2004). Which hypothesis will be chosen for

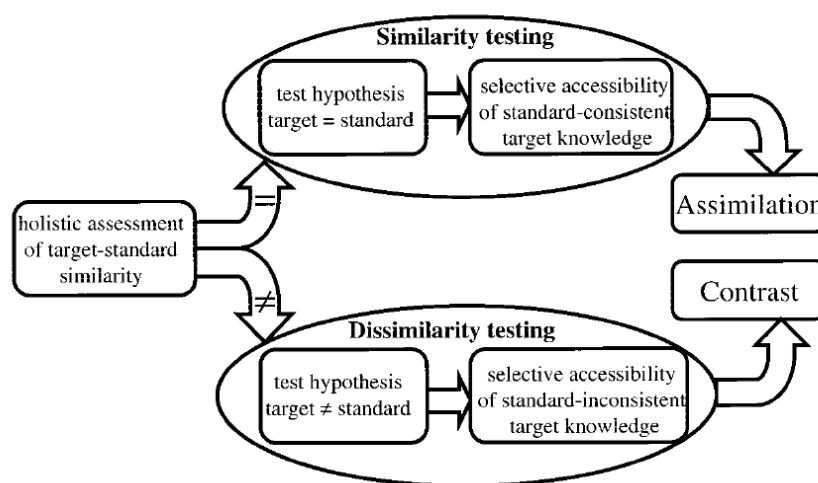
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<sup>2</sup> Assimilation refers to “a positive relation between the value people place on a target stimulus and the value they place on the contextual stimuli that accompany the target” (Martin, Seta, & Crelia, 1990, p. 27).

<sup>3</sup> Contrast refers to a negative relation between the value people place on a target stimulus and the value they place on the contextual stimuli that accompany the target (Martin et al., 1990).

testing depends on the overall perceived similarity, which is determined through “quick screening” based on a small number of characteristics such as category membership or any salient features (Mussweiler, 2003). If this initial assessment, using standard-consistent knowledge, shows that the target and the object are generally similar, an individual will engage in similarity testing, which will result in assimilation (Mussweiler, 2003). Otherwise, using standard-inconsistent knowledge the individual will engage in dissimilarity testing, which will result in contrast (Mussweiler, 2003).

**Figure 2-3:** The Selective Accessibility Process of Comparison (Mussweiler, 2003)



These theoretical advancements show the complexity of the comparison process and indicate a variance of possible CGA outcomes. Although the social comparisons theory in its original version (Festinger, 1954) expects that consumer-generated advertising may be superior than company advertising, the theory's new interpretations do not provide a simple answer. CGA-viewers, indeed, may not adopt the opinions of CGA-creators and different consumers may experience similarity with different ad creators depending on their motivations: self-evaluate, self-enhance or self-improve.

Most previous studies on the effects of consumer-generated advertising viewed the consumer source as a factor that was expected to produce a particular type of response, but instead they produced conflicting results when attempting to identify this response (e.g. Lawrence et al., 2010; Lawrence et al., 2013; Steyn et al., 2011; Steyn et al., 2010). Thus, some studies were perhaps too narrow in their expectations of the CGA effects, given their results. However, Mussweiler (2003) and Thompson and Malaviya (2013) have shown the broad nature of consumer-source influence as a concept. It becomes more apparent that consumer-generated advertising is likely to produce an array of attitudinal responses that may depend on additional factors such as factors enhancing perceived source similarity.

## 2.6 PROCESSING OF INFORMATION SOURCE

### 2.6.1 Dual Models of Persuasion

The Elaboration Likelihood Model (ELM) (Petty, 1994; Petty & Cacioppo, 1984; Petty & Cacioppo, 1986a, 1986b; Petty & Wegener, 1999) and the Heuristic-Systematic Model (HSM) (Chaiken, 1980; Chaiken et al., 1989; Chaiken & Maheswaran, 1994; Chen, Duckworth, & Chaiken, 1999; Eagly & Chaiken, 1993) provide a theoretical framework for understanding the processes of CGA elaboration and judgment formation.

Although there are differences between ELM and HSM (see Eagly & Chaiken, 1993), these two models share common ideas about the dual nature of persuasion. Both of them argue that the persuasion process occurs via two different channels (see Table 2-3). In the ELM these are the central and peripheral routes (Petty & Cacioppo, 1986a) and in HSM these are the systematic and heuristic modes (Chaiken, 1980; Eagly & Chaiken, 1993). Both frameworks hold that high involvement conditions will lead to extensive elaboration of message arguments and result in opinion change via the central (ELM), or systematic (HSM) route of persuasion. Meanwhile, low involvement conditions will restrict effortful elaboration of message arguments and will accomplish persuasion via the remaining peripheral (ELM) (Petty & Cacioppo, 1986a), or heuristic route (HSM) (Chaiken, 1980; Eagly & Chaiken, 1993).

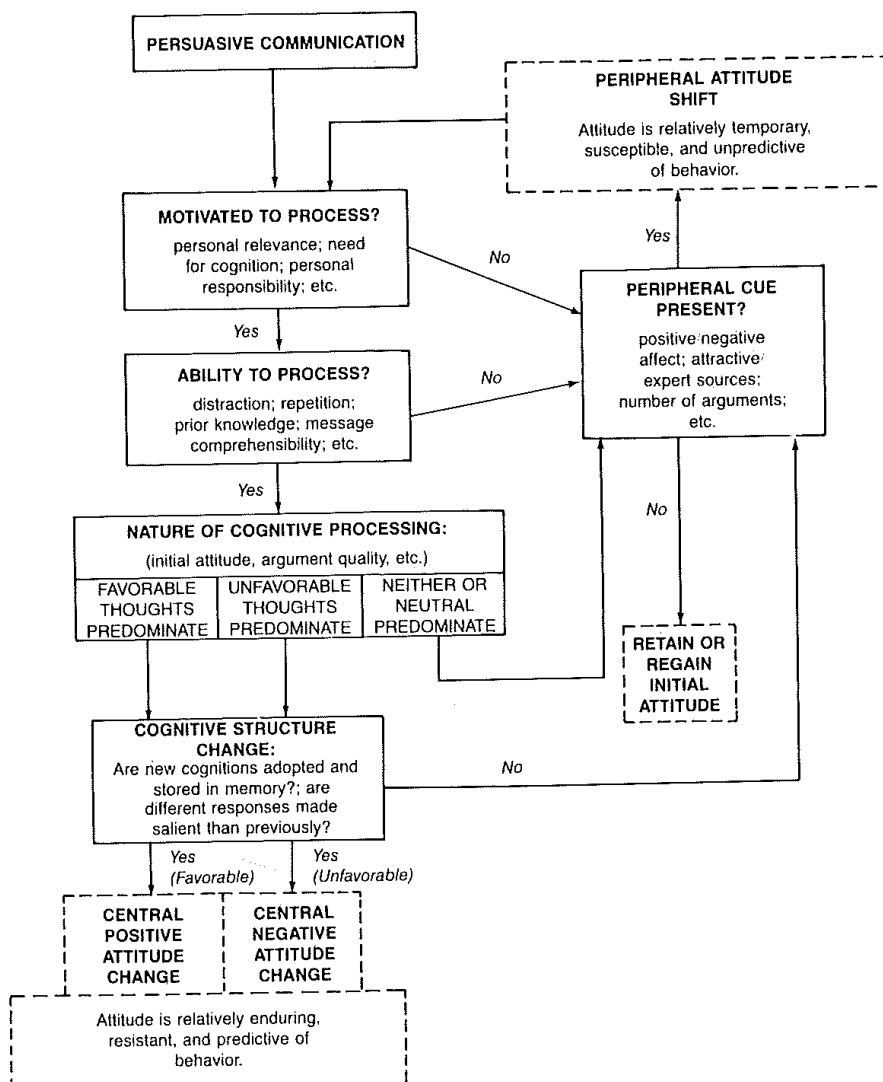
**Table 2-4:** Postulates of the Elaboration Likelihood Model of Persuasion (Petty & Cacioppo, 1986a, p. 5)

- 
- I. People are motivated to hold correct attitudes.
  - II. Although people want to hold correct attitudes, the amount and nature of issue-relevant elaboration in which they are willing or able to engage to evaluate a message vary with individual and situational factors.
  - III. Variables can affect the amount and direction of attitude change by (a) serving as persuasive arguments, (b) serving as peripheral cues, and/or (c) affecting the extent or direction of issue and argument elaboration.
  - IV. Variables affecting motivation and/or ability to process a message in a relatively objective manner can do so by either enhancing or reducing argument scrutiny.
  - V. Variables affecting message processing in a relatively biased manner can produce either a positive (favourable) or negative (unfavourable) motivational and/or ability bias to the issue-relevant thoughts attempted.
  - VI. As motivation and/or ability to process arguments is decreased, peripheral cues become relatively more important determinants of persuasion. Conversely, as argument scrutiny is increased, peripheral cues become relatively less important determinants of persuasion.
  - VII. Attitude changes that result mostly from processing issue-relevant arguments (central route) will show greater temporal persistence, greater prediction of behavior, and greater resistance to counterpersuasion than attitude changes that result mostly from peripheral cues.
-

The ELM is a dual-route, but multi-process model (Petty & Wegener, 1999) (see Figure 2-2). Central and peripheral routes are relevant to attitude changes that are based on “different degrees of elaborative information-processing activity” (Petty & Wegener, 1999, p. 18). “Central-route attitude changes are those that are based on relatively extensive and effortful information-processing activity, aimed at scrutinizing and uncovering the central merits of the issue or advocacy. Peripheral-route attitude changes are based on a variety of attitude change processes that typically require less cognitive effort”, which can differ from the central-route processes in quantitative or qualitative ways (Petty & Wegener, 1999, pp. 18-19).

The ELM hypothesis originates from the idea that it is not possible for people to exert a substantial cognitive effort when thinking about all messages and attitudinal objects (Petty & Cacioppo, 1986a). Therefore, the most important construct of the ELM is the elaboration continuum. The points along this continuum show how motivated people are to assess the position of the communicator (Petty & Wegener, 1999).

**Figure 2-4:** The Elaboration Likelihood Model of Persuasion (Petty & Cacioppo, 1986a, p. 4)



## 2.6.2 Multiple Roles of Source along the Elaboration Continuum

The dual-process models of persuasion provide a basis for understanding how the consumer source in CGA can influence communication outcomes. According to the ELM, a variable can influence attitudes in four ways: (1) by serving as an argument, (2) by serving as a cue, (3) by determining the extent of elaboration and (4) by producing a bias in elaboration (Petty & Cacioppo, 1986a). The ELM suggests that variables are not required to serve in only one of the roles (Petty & Wegener, 1999). Some studies reviewed by Petty and Cacioppo (1986) show that any one variable can serve at least in two different roles in different situations (Petty & Cacioppo, 1986a). Such multiple-role dynamics suggest that variables adopt different roles at different points along the elaboration continuum (Petty & Wegener, 1999).

The elaboration continuum is determined by how motivated and able people are to assess and elaborate an attitude object (Petty & Wegener, 1999). At the high end of the elaboration continuum, people evaluate the object-related information and arrive at a reasoned position, which is well-articulated and supported by facts. Meanwhile, at the low end of the elaboration continuum, individuals' scrutiny is reduced. Thus, at the high end of the continuum, variables serve as arguments or bias information processing. At its low end, variables serve as cues or function as peripheral mechanisms. In the middle of the continuum variables determine the level of thinking about the attitude object. Consequently, based on the fact that variables can take on different roles at different points along the elaboration continuum, the impact of any given variable that serves as a peripheral cue under low-elaboration conditions can be enhanced or reduced as the elaboration likelihood is increased (Petty, 1994; Petty & Wegener, 1999).

Although the source has been commonly considered to be a peripheral cue in the academic literature (Wilson & Sherrell, 1993), contemporary interpretation of the ELM holds that this may be a common misunderstanding (Petty & Wegener, 1999). In the early work of Petty and Cacioppo (1984), it is suggested that under low involvement, source factors serve as simple acceptance or rejection cues because an individual has no ability or motivation to engage in message arguments elaboration. Under moderate involvement, source factors influence the extent of thinking so that a source factor will increase persuasion if the argument is strong, but conversely persuasion will be decreased if the arguments are weak. On the other hand, under high elaboration, source factors do not operate as simple cues but are considered with all available information and aid in interpreting the arguments. Here, the source information becomes less important because individuals are concerned about processing the message arguments (Petty & Cacioppo, 1984). Therefore, the fundamental vision of the ELM suggests that a positive source enhances persuasion under low involvement conditions (Petty & Cacioppo, 1984).

However, in a later paper, Petty and Wegener (1999) pointed out that some researchers have mistakenly interpreted the ELM to say that the impact of source factors will decrease as motivation to process increases. In fact, researchers have demonstrated that the source can be actually processed as an argument via the central route and increase persuasion as an individual moves up the elaboration continuum (Petty & Wegener, 1999). This can occur if the source is perceived as relevant and informative (Petty & Wegener, 1999). However, if a potential cue (source) is scrutinised and found lacking or biased, then the presumably positive cue (source) will reduce persuasion (Petty & Wegener, 1999).

Therefore, from a mainstream perspective, the consumer source in CGA will be processed as a cue through the peripheral route (Petty & Cacioppo, 1984). However, the more contemporary view on the ELM suggests that the source might be processed as an argument through the central, or systematic route, if the source serves as a product-advocacy statement (Kang & Herr, 2006; Petty & Wegener, 1999).

### **2.6.3 Source as a Possible Biasing Factor**

There is also a possibility that a source variable and consumer source, in particular, will produce bias during elaboration. The ELM assumes that people wish to hold opinions and form judgments that are correct, at least subjectively and at a conscious level (Petty & Cacioppo, 1986a). However, it does not mean that they cannot be biased in their evaluations (Petty & Wegener, 1999). According to one of the ELM's postulates, "variables affecting message processing in a relatively biased manner can produce either positive (favourable) or negative (unfavourable) motivational and/or ability bias to the issue-relevant thoughts attempted" (Petty & Cacioppo, 1986a, p. 5). In the context of consumer-generated advertising, negative motivational bias may lead to heightened criticality of CGAs. This was reported by Ertimur and Gilly (2012).

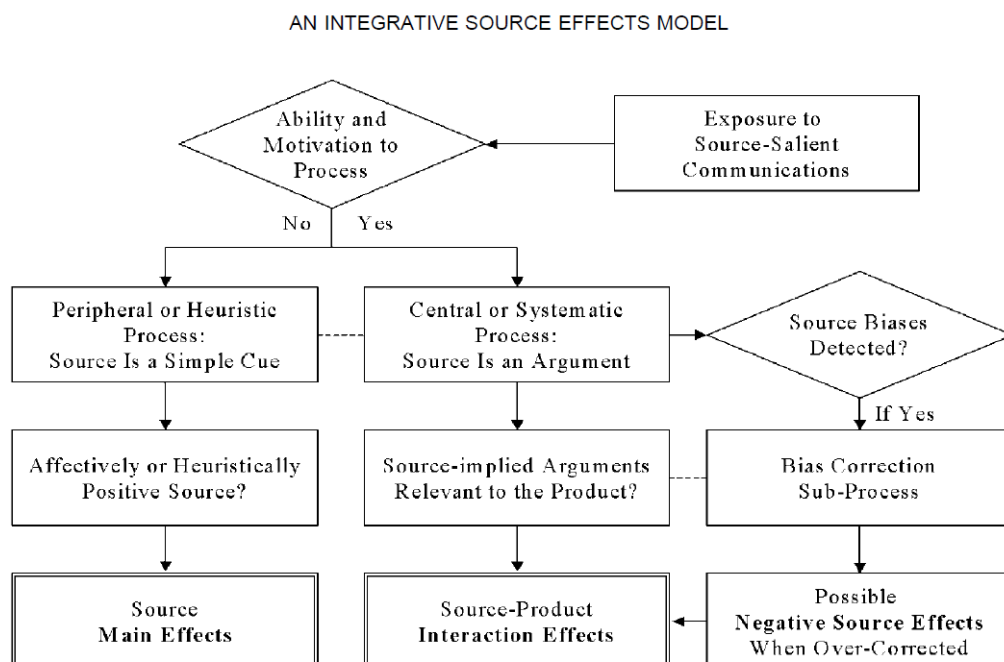
One crucial factor is the motivational bias of a message receiver. Relatively objective processing occurs when an individual does not prefer any *a priori* judgment, and his or her goal is to seek the truth wherever it may lead (Petty & Cacioppo, 1986b). Meanwhile, a motivated bias can occur when people prefer one judgment or conclusion over another. Here, objective processing tends to be data-driven, whereas biased processing favours an existing attitude schema or current goal (Petty & Wegener, 1999). A similar distinction has been made by Kruglanski (1990) between the need for 'specific' and 'nonspecific closure'. When an individual is looking for a 'nonspecific closure', any answer will be suitable. However, when a person is looking for a 'specific closure', he or she prefers some answers over others and then elaboration is more likely to be biased (Kruglanski, 1990).



Research identifies a large number of factors that can produce motivational bias: reactance, balance, impression management and self-affirmation (Petty & Wegener, 1999), vested interests, and attitudinal commitments originating from the values of reference groups and preferences for particular conclusions (Chaiken et al., 1989). In addition, it has been established that prior knowledge about the stimulus object can significantly bias message elaboration (Biek et al., 1996; Chaiken et al., 1989; Petty & Wegener, 1999) and can often increase resistance to persuasion (Wood, Kallgren, & Preisler, 1985).

According to Kang and Herr's (2006) expanded version of the ELM, source effects occur through one or more of the following processes: (1) peripheral/heuristic processing of the source as a cue, (2) central/systematic processing of the source as a product arguments, and (3) correction of source biases (Kang & Herr, 2006) (see Figure 2-3). If a source bias is detected, it may lead to a negative effect (Kang & Herr, 2006). Thus, compared with the classical ELM, predicting the communication result depends not only on the amount of available cognitive resources, but on the receiver's sensitivity to source biases formed from chronic or situational factors (Kang & Herr, 2006). Therefore, negative source effects are likely to occur in the following conditions: (1) high product category involvement, (2) high or unconstrained ability and situation motivation, (3) a product-irrelevant yet affectively positive source and (4) when the perceiver's sensitivity to the biasing potential of the source is high (Kang & Herr, 2006, p. 129).

**Figure 2-5: An Integrative Source Effects Model (Kang & Herr, 2006, p. 124)**



Therefore, any motivational bias of CGA-viewers driven by impression management and self-affirmation, and source biases driven by the perceptions of CGA-creators, can also significantly influence the effectiveness of consumer-generated advertising.

## 2.7 SOURCE SALIENCE

### 2.7.1 Salience and Attention: Psychological Mechanisms Involved in CGA Recognition

The purpose of the following section is to gain understanding how people make inferences about the origins of advertising. It will review and highlight some of the central ideas contained in the research on salience and causal attribution, present them in a systematic way and show their relevance to the processes of source identification of consumer-generated advertising.

The term 'salient' commonly has two meanings. Firstly, salient means "standing out from its environment or background" (Romaniuk & Sharp, 2004, p. 327) and is widely used in the research of visual perceptions (Eimer & Kiss, 2010; Guido, 2001; Leblanc, Prime, & Jolicoeur, 2008; Michael & Gálvez-García, 2011; Schubö, 2009; Theeuwes, 2004; Wolfe, 2001). Secondly, salient means "spontaneously thought of" (Schulman & Worrall, 1970, p. 382) and is used to describe cognitive processes.

Historically, two lines of research have developed around how causal perception occurs. One of them paints the social perceiver as a proto-scientist (Kelley, 1967, 1972; Kelley, 1973). According to the theory of attributions<sup>4</sup>, an individual "generally acts as a good scientist, examining the covariation between a given effect and various possible causes" (Kelley, 1972, p. 2). The person evaluates the outcome and its possible reasons in an attempt to reach a rational explanation for the outcome. From this point of view, the lay attributor uses the available data in a reasonable and unbiased manner.

The second stream of research holds that "instead of using the 'scientific-like' process outlined by Kelley (1972), many perceivers seek a single, sufficient, and salient explanation for behaviour, often the first satisfactory one that comes along" (Taylor & Fiske, 1978, p. 251). Instead of assessing information logically, "people are often more influenced by a single, colourful piece of case history of evidence" (Taylor & Fiske, 1978, p. 251). Instead of considering all the evidence that is related to a particular problem, individuals often use the information that is most salient or available to them, and the most easily brought to mind (Kahneman, Slovic, & Tversky, 1982). Individuals frequently respond with little thought to the most salient stimuli in their environment (Taylor & Fiske, 1978). "We believe that the causal attributions people make, the opinions people express, and the impressions they form of others in work or social situations are often shaped by seemingly trivial but highly salient

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<sup>4</sup> Attributions refer to "the process of inferring or perceiving the dispositional properties or entities in the environment" (H.H. Kelley, 1967, p. 193)

information” (Taylor & Fiske, 1978, p. 252). Taylor and Fiske (1978) called it “top of the head phenomena”.

Historically, causal attribution has focused on the effects of different salient stimuli such as salient actor, or causal agent (Pryor & Kriss, 1977; Taylor, 1975), environmental salience (Regan & Totten, 1975; Storms & Nisbett, 1970), and self-salience or self-awareness (e.g. Davis & Brock, 1975; Duval, 1976).

Research shows that causal perception, salience and attention are closely related concepts. Taylor and Fiske (1978) claim that causal perception is significantly determined by “where one’s attention is directed within the environment and that attention itself is a function of what information is salient” (Taylor & Fiske, 1978, p. 253). Therefore, the perception of causality depends on the perceiver’s focus of attention (Taylor & Fiske, 1978).

A large body of research on visual perceptions strongly supports the idea that salient objects attract attention (Eimer & Kiss, 2010; Guido, 2001; Michael & Gálvez-García, 2011; Schubö, 2009; Theeuwes, 2004; Wolfe, 2001). These studies show that salience can be manipulated by utilising principles of spontaneous selective attention. Psychology has long established that bright, moving, complex and novel objects elicit attention (Berlyne, 1958; Langer, Fiske, Taylor, & Chanowitz, 1976; McArthur, 1972). Contemporary research, however, has considerably enlarged our understanding of what captures attention (Eimer & Kiss, 2010; Guido, 2001; Leblanc et al., 2008; Michael & Gálvez-García, 2011; Schubö, 2009; Wolfe, 2001).

Early studies posited that salience was “an attribute of a particular stimulus that makes it stand out and be noticed” (Guido, 2001, p. 1). More recent understanding holds that salience is not a physical feature, but “the relationship between an item and other items in the scene” (Michael & Gálvez-García, 2011, p. 87). Salience, therefore, emerges from a comparison of elementary visual elements and serves to make an order or hierarchy of inputs for further processing (Michael & Gálvez-García, 2011). Apart from describing the “physical distinctiveness of an item or object from other, neighbouring items or objects in the visual fields” (Schubö, 2009, p. 233), the term salience also indicates “priority in the salience hierarchy of potentially interesting objects or locations” (Schubö, 2009, p. 233). Subsequently, attention is initially captured by the most salient item in the scene and after that progresses to the least salient item (Michael & Gálvez-García, 2011).

Consumer source, therefore, becomes salient in comparison with neighbouring company ads. Because the amateur quality indicates a deviation from professional ads, CGAs can be attributed to a consumer source even when the ad is not labelled as consumer-generated. This is supported by the Dichotic Theory of Salience (Guido, 2001). According to it,

a stimulus is salient either when it is incongruent in a certain context to a perceiver's schema<sup>5</sup> ("in-salience" from "incongruent salience"), or when it is congruent in a certain context to a perceiver's goal ("re-salience" from "relevant salience") (Guido (1998) as cited in Guido, 2001). Thus, amateur CGA might be demonstrating in-salience; that is, salience incongruent to the receiver's schema about a certain level of production quality common to traditional advertising. Following these arguments, salient amateur consumer-generated advertising is likely to attract greater attention. Therefore, according to the "top of the head phenomenon" proposed by Taylor and Fiske (1978), amateur ad quality will determine the perception of causality in identifying who created any particular ad.

The finding of source salience is consistent with the research on similarity. The critical initial assessment of self-standard similarity is a "quick screening" during which people firstly process the features that are salient and easy to process (Mussweiler, 2003).

### **2.7.2 Source Cue Retrieval from Memory**

The "top of the head" phenomenon (Taylor & Fiske, 1978) explains why individuals are influenced by salient objects. Meanwhile, two memory frameworks – Associative Network Model and Source Monitoring – may explain how individuals are able to link salient cues, such as amateur ad quality and poor acting, to the consumer advertising source.

The Associative Network Model of memory focuses on how information is being stored, encoded and subsequently retrieved (Anderson & Bower, 1974). It posits that source information is being recollected through direct cue retrieval (Pham & Johar, 1997). The central proposition of this theory suggests that "ideas, sense data, memory nodes, or similar neurological elements are associated together in the mind through experience. Thus, "associationism is connectionistic" (Anderson & Bower, 1974, p. 10). In the broadest sense, associations occur when the outputs of linguistic and perceptual 'parsers' are sent as inputs or probes to be matched to the contents of long-term memory; this process is generally known as stimulus recognition (Anderson & Bower, 1974). Stimulus recognition is carried out by a match process that attempts to find the best matching propositional 'tree' in the memory corresponding to an input tree (Anderson & Bower, 1974). Within an associative network framework, the process of CGA source identification can be conceptualised as matching amateur quality cues with the propositional 'tree' in the memory that is related to user-generated content, and its subsequent retrieval.

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<sup>5</sup> Schema is a "knowledge structure or the semantic network structure regarding an object, which serves as a frame of reference in forming judgements" (Lee & Schumann, 2004, p. 60).

The probability of source identification through cued retrieval will depend on two factors (Pham & Johar, 1997). Firstly, it depends on the strength of the link between the consumer source and amateur ad quality that is formed during the encoding process. Secondly, it relies on the overlap between the cues that become available at retrieval (Burke & Srull, 1988; Keller, 1987). If the source information retrieval fails, consumers, however, do not simply guess the source of the message, but they also rely on the expressions of memory that involve the process of source monitoring (Pham & Johar, 1997).

A source monitoring-approach provides another perspective on how judgements are made concerning the origin or source of information. From the memory perspective, source refers “to a variety of characteristics that, collectively, specify the conditions under which a particular memory is acquired (e.g., the spatial, temporal, and social context of the event; the media and modalities through which it was perceived)” (Johnson, Hashtroudi, & Lindsay, 1993, p. 3). The source-monitoring approach suggests that individuals do not usually directly retrieve an abstract “tag” or “label” identifying the source, rather they evaluate memory records and “attribute to particular sources through decision processes performed during remembering” (Johnson et al., 1993, p. 3). Therefore, source monitoring explores “the set of processes involved in making attributions about the origins of memories, knowledge and beliefs” (Johnson et al., 1993, p. 3). According to the source-monitoring approach, rich contextual and perceptual details of memory traces obtained from the original learning episodes (see for discussion Pham & Johar, 1997) may aid in attributing an ad to a consumer source.

## 2.8 CHAPTER SUMMARY

Prior research on consumer-generated advertising can be categorised into two main areas of investigation. Firstly, it explores the diversity of CGAs, provides a working taxonomy and a range of responses that it creates. The present study, however, falls under the second category of CGA examination, and focuses on the attitudinal and behavioural effects of consumer-generated advertising on the mass audience. This comprises consumers-observers who were not engaged in the process of advertising co-creation, but instead have been exposed to ads produced by fellow consumers.

The literature review revealed a large number of inconsistencies in prior research. The main academic debate revolves around whether attributing an advertisement to the consumer source provides any performance advantages. While one research stream documents that receivers are more likely to acquire favourable attitudes and behavioural intentions towards CGA (Lawrence et al., 2010; Lawrence et al., 2013), another research stream has not found sufficient evidence of CGA's effectiveness (Ertimur & Gilly, 2012; Steyn et al., 2011; Steyn et al., 2010).

Consumer-generated advertising has a number of advantages, such as its authenticity (Ertimur & Gilly, 2012; Lawrence et al., 2013), increased identification with the source through the perceived similarity with the ad creator (Thompson & Malaviya, 2013), adopting a viewpoint of the consumer-creator (Lawrence et al., 2013), and gaining insights on products and brands from the consumer's perspective (Mills, 2006). However, CGA has also many shortcomings. Previous studies report several factors that negatively affect CGA effectiveness, such as the scepticism of consumers (Thompson & Malaviya, 2013), recognition of CGA's dual source, heightened criticality towards ads created by other consumers and viewing CGAs as ongoing unfinished projects (Ertimur & Gilly, 2012), and the monetary motives of CGA-creators (Ertimur & Gilly, 2012; Lawrence et al., 2013; Steyn et al., 2011; Steyn et al., 2010).

Other substantial research inconsistencies are found within the attitudes towards the brands and ad quality. Indeed, conflicting findings are related to brand perceptions as CGA-viewers tend to engage only with ads, rather than the brands or products advertised (Campbell et al., 2011a, 2011b; Ertimur & Gilly, 2012). This is contrasted with studies that report significantly more favourable brand perceptions after watching CGA (Lawrence et al., 2013). Additionally, due to this contradicting evidence, it is unclear whether respondents exhibit low expectations of the CGA quality (Lawrence et al., 2013) or whether they wish consumer ads to be more professionally produced (Ertimur & Gilly, 2012).

Inconsistencies in the CGA research can have methodological or moderator variable explanations. Analysis showed that differing methodologies have been used: observational netnography (Campbell et al., 2011a, 2011b; Lawrence et al., 2013; Pehlivan et al., 2011), interviews (Ertimur & Gilly, 2012) and experiments (Lawrence et al., 2013; Steyn et al., 2011; Steyn et al., 2010; Thompson & Malaviya, 2013). Some studies examined only award-winning consumer ads or the most viewed CGAs on You Tube (Campbell et al., 2011b; Lawrence et al., 2013), while others explored entire CGA campaigns comprising ads of varying quality and popularity (Ertimur & Gilly, 2012; Pehlivan et al., 2011). Moreover, some studies used both high and low product involvement ads (Campbell et al., 2011b; Lawrence et al., 2013; Thompson & Malaviya, 2013). Meanwhile, others examined ads solely featuring high involvement products (Steyn et al., 2011; Steyn et al., 2010) or ads featuring low involvement products (Ertimur & Gilly, 2012). Also, ads with varying levels of audience familiarity and different measurement scales were used in the research. These variations in methods and potential moderators produced a number of contradictions in the conclusions that can be drawn from the results.

A consumer can be seen as a similar communicator who is traditionally viewed as more attractive (Byrne & Nelson, 1965) and more persuasive than a dissimilar communicator (Berscheid, 1966; Brock, 1965; Hilmert et al., 2006; Mills & Jellison, 1968). However, the aforementioned inconsistencies in research on CGA demonstrate that this is not always true. From a psychological perspective, these contradictions may be explained by using the theory of social comparisons by Festinger (1954) together with its contemporary interpretations (e.g. Corcoran et al., 2011; Mussweiler, 2003; Wood, 1989). Individuals evaluate their similarity with others through the process of social comparisons (Festinger, 1954), which occurs between CGA-viewers and CGA-creators (Thompson & Malaviya, 2013). However, according to recent conceptualisations, outcomes of those comparisons largely depend on the personal goals and motivations of individuals (Wheeler, 1966; Wills, 1981; Wood, 1989). Opinion change will also depend on whether an individual engages in similarity testing or dissimilarity testing (Mussweiler, 2003). Perceived similarity with the ad creator, therefore, originates from the complex of psychological processes, which involves comparisons of categories, abilities in creating ads and opinions on brands.

Contradictions in previous research can be also explained by the different mechanisms of processing source information. According to the mainstream view on the Elaboration Likelihood Model by Petty and Cacioppo (1986), the consumer source is likely to influence attitudes by serving as a cue, which under low involvement will produce a peripheral attitude shift. However, the source can also serve as an argument, determine the extent of message elaboration and produce a bias (Petty & Wegener, 1999).



So far, our understanding of attitudinal and behavioural effects of consumer-generated advertising is limited. The literature review reveals ambiguities within the current understanding of the CGA influence, which are related to moderators of CGA effectiveness. The present research is intended to extend the growing literature on the CGA phenomenon by addressing this gap in the literature. While the overall research goal is to identify attitudinal, behavioural and recall effects of consumer-generated advertising on viewer audiences, the first research question is stated as follows: “Which factors influence consumers’ responses to consumer-generated advertising?” The second research question inquires: “In what conditions the disclosure of the consumer source may result in a more favourable response from the audience?” From this perspective, the direction of the current research is to identify and explore variables crucial for understanding the effectiveness of consumer-generated advertising. This is expected to provide insights in relation to the major question of interest: *“Is consumer-generated advertising more effective than company advertising?”*

This thesis has presented a research problem, and reviewed previous research on consumer-centred trends, consumer-generated advertising and relevant areas of psychology. The next chapter will discuss methodology appropriate for the current research goals.

## Chapter 3

### METHODOLOGY

#### 3.1 INTRODUCTION

The central aim of this study is to investigate how consumer-generated advertising affects persuasion, and what factors determine its impact on a large audience. This chapter is devoted to philosophical problems that the research strategy selection uncovers. This study has been positioned in the middle of the spectrum of methodological choices: between positivist and interpretive perspectives. Because of this positioning, it was rational to combine both quantitative and qualitative approaches in a mixed method research design. Consequently, the study was organised in two phases. Phase One represented a qualitative study that explored predictors of CGA effectiveness. Following this, Phase Two was used for empirical model validation and hypotheses testing to better understand under what conditions consumer-generated advertising would be more effective.

#### 3.2 RESEARCH METHODOLOGY: MIXED METHODS

##### *Positivist and Interpretive Approaches*

There are two predominant approaches when attempting to increase knowledge of consumer-generated advertising: positivism and interpretivism. Both of these approaches include methods based on different goals and assumptions (Hudson & Ozanne, 1988). For over a century, the advocates of quantitative and qualitative research paradigms have been engaged in an academic dispute involving superiority of methodology (Johnson & Onwuegbuzie, 2004). Quantitative purists believe that social observations should be treated in a similar vein as physical phenomena are viewed by scientists (Johnson & Onwuegbuzie, 2004). These positivists maintain that research enquiries are objective (Hudson & Ozanne, 1988), which can lead to time- and context-free generalisations through justification and hypotheses testing (Teddie & Tashakkori, 2009). Advocates of qualitative methods, also known as interpretivists or constructivists, argue for a multiple and contextual nature of reality (Hudson & Ozanne, 1988), where the time- and context-free generalisations are not

applicable, and therefore it is impossible to distinguish between causes and effects (Teddle & Tashakkori, 2009) without adding a relevant context. In a positivist paradigm, the researcher is neutral and separated from the subject of observation, attempting to retain a high level of objectivity. Contrasted with this, in the constructivist paradigm, the researcher is subjective and inseparable from their subject of interest (Hudson & Ozanne, 1988; Johnson & Onwuegbuzie, 2004). A paradigm contrast table, presented in Table 3-1, compares the primary philosophical and methodological differences between the research paradigms.

**Table 3-1:** The Paradigm Contrast Table (Teddle & Tashakkori, 2009, p. 86)

<i>Dimension of Contrast</i>	<i>Positivist Paradigm</i>	<i>Constructivist (Interpretivist Paradigm)</i>
<i>Epistemology</i> : the relationship of the knower to the known; the nature of knowledge and its justification	Knower and known are independent, a dualism	Knower and known are interactive, inseparable
<i>Axiology</i> : the role of values in inquiry	Inquiry is value-free	Inquiry is value-bound
<i>Ontology</i> : the nature of reality	Reality is single, tangible, and fragmentable	Reality is multiple, constructed and holistic
The possibility of causal linkages	There are real cases, temporally precedent to or simultaneous with their effects	All entities are in a state of mutual, simultaneous shaping so that it is impossible to distinguish causes from effects
The possibility of generalisation	Time- and context-free generalisations (nomothetic statements) are possible	Only time- and context-bound working hypotheses (ideographic statements) are possible

In order to settle on the most appropriate method for studying consumer-generated advertising, it is necessary to consider all the relevant characteristics of quantitative and qualitative research. Quantitative research is focused on testing and validating already constructed theories on how a phenomenon occurs. Its major features are deduction, confirmation, prediction, standardised data collection and statistical analysis (Johnson & Onwuegbuzie, 2004). The positivist, however, can construct a theory that may not reflect the actual understanding of individuals or the community (Johnson & Onwuegbuzie, 2004). One of the problems associated with logical positivism is verification, which holds that a wide range of collected data can support more than one theory, thus generating many competing theories (Teddle & Tashakkori, 2009). Therefore, complete verification of any scientific theories in an absolute way is rare (Teddle & Tashakkori, 2009). “Empirical (or inductive) support for theories is plentiful, but provides little evidence for truth” (Popper (1968) as cited in Teddle &

Tashakkori, 2009, p. 65). Another difficulty with positivism is the reliance on operationalism, or the measurements of theoretical constructs. These assume an error, or discrepancy, between the numbers that are used to represent a specific observation and the actual value of it (Field, 2013), implying that “the construct might be more than what is currently measured” (Teddie & Tashakkori, 2009, p. 65). This means that a measurement may not accurately represent the phenomenon.

Meanwhile, traditional qualitative research focuses on the exploration and generation of theories and hypotheses. Here, the data are based on the participant’s “own categories of meaning” (Johnson & Onwuegbuzie, 2004). Qualitative research can be used to study in-depth a limited number of cases and to explain the phenomenon in rich detail (Johnson & Onwuegbuzie, 2004). Qualitative methods are responsive to the changes that can occur during the study and allow the research focus to shift. They also enable researchers to identify participants’ interpretations of the theoretical constructs (Johnson & Onwuegbuzie, 2004). However, the obtained findings can be unique to the group of people being studied. Therefore, produced knowledge may not generalise to a population or be valid in differing settings. Overall, qualitative methods have generally lower credibility to organisations and authorities than positivist methods, as it is far more difficult to make quantitative predictions (Johnson & Onwuegbuzie, 2004).

The incompatibility thesis states that it is inappropriate to mix quantitative and qualitative methods due to their fundamental differences. However, this was rejected in favour of the compatibility thesis due to the growing sophistication and popularity of qualitative methods. The compatibility thesis was first posited by Howe (1988) (Howe, 1988), and was followed by the emergence of the “third research movement”, which offered a more balanced alternative: the mixed method approach (Johnson & Onwuegbuzie, 2004, p. 17).

### *Mixed Methodology*

Mixed method research is defined as the research paradigm that encourages the combined use of qualitative and quantitative research elements for the purpose of answering a complex question (Heyvaert, Maes, & Onghena, 2013). It has recently gained popularity in social science (Cresswell & Clark, 2011; Flint, Gammelgaard, Golicic, & Davis, 2012; Goulding, 1999). Mixed methodology includes induction (discovery of patterns), deduction (testing of theories and hypotheses), and adduction (uncovering the most suitable set of explanations for understanding research results) (Johnson & Onwuegbuzie, 2004).

It is understood that using multiple paradigms in the area of consumer-generated advertising will be beneficial, as ultimately, qualitative and quantitative research methods will

complement each other. Quantitative data will be amenable to statistical analysis, providing an opportunity to determine causal relationships, whereas qualitative data will add depth in the understanding of the CGA phenomenon and aid in constructing theories.

There are four specific reasons for choosing a mixed method design for this study. Firstly, the research questions discussed in the introduction to this thesis require triangulation. Triangulation refers to “the use of more than one method while studying the same research question in order to examine the same dimension of a research problem” (Hesse-Biber, 2010, p. 3). Thus, mixed methods will be used to achieve a convergence of the data collected by various methods to enhance the credibility of the research findings (Hesse-Biber, 2010). Ultimately, mixed methods are expected to enrich and fortify the study’s results (Hesse-Biber, 2010). As stated by Cresswell et al. (2011), mixed methods should be used to generalise exploratory findings.

Secondly, mixed methods approach was chosen for its ‘complementarity’, which allows the researcher to advance the understanding of the research problem (Hesse-Biber, 2010). According to Cresswell et al. (2011), the need for the mixed method analysis exists because one data source may be insufficient. Mixed methods are known to be useful in achieving a “breadth and depth of understanding and corroboration” (Johnson, Onwuegbuzie, & Turner, 2007, p. 123). Since there is limited information available regarding the perceptions of consumer-generated advertising, it was hoped that a mixed method approach would lead to a more thorough comprehension of the CGA phenomenon.

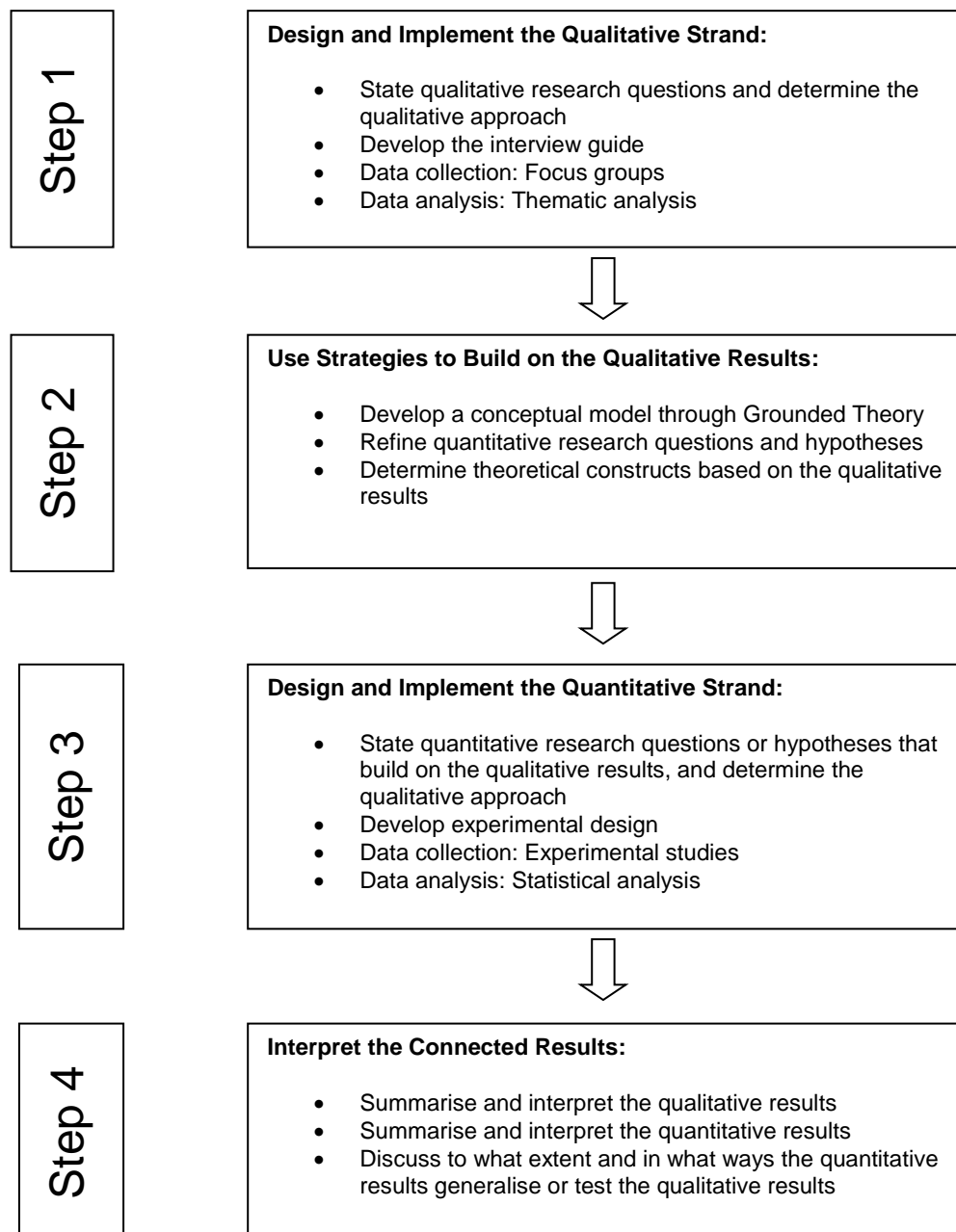
Thirdly, mixed methods were chosen because they often enable the development of the research project by creating a “synergistic effect”, which implies that the “results from one method help develop or inform the other method” (Hesse-Biber, 2010, p. 5). This can be achieved through the application of one of six mixed method designs: convergent, explanatory, exploratory, embedded, transformative or multiphase design (Cresswell & Clark, 2011).

Fourthly, mixed methods were applied because using both a qualitative and quantitative study might raise questions or contradictions leading to the possibility of further studies, and provide novel insights into existing theories (Hesse-Biber, 2010). This method also has potential to enable an expansion of the constructed theories and knowledge, as producing detailed findings can spur the emergence of new research questions (Hesse-Biber, 2010).

The successful development of the research project will be accomplished by implementing an exploratory sequential mixed method design. With the qualitative component followed by the quantitative component, the research will prioritise the collection and analysis of qualitative data in the first phase (Cresswell & Clark, 2011). Building from the exploratory

results, the initial findings will be tested during the second quantitative phase (Cresswell & Clark, 2011). This will enable a validation of the predictors of CGA effectiveness identified during the initial exploratory phase. Therefore, the research will be conducted within the constructivist paradigm in Phase One, and the post-positivist paradigm in Phase Two. Figure 3-1 displays the implementation of the mixed method research design in this thesis.

**Figure 3-1:** Flowchart of the Basic Procedures in Implementing Exploratory Mixed Method Design (based on Cresswell & Clark, 2011, p. 88)



### **3.3 STAGE I: EXPLORATION OF CGA USING A QUALITATIVE APPROACH**

#### **3.3.1 Selection of the Qualitative Method: Thematic Analysis and Grounded Theory**

Consumer-generated advertising is a relatively new phenomenon. Therefore, a qualitative study was planned as the first initial stage within the exploratory sequential mixed-method design of this research. The goals of the qualitative study is, firstly, to explore the CGA phenomenon and document how consumers, in generally, may react to consumer-generated advertising. Secondly, to identify variables that could inform the subsequent empirical studies.

This section describes the methodology used for the first exploratory stage. Qualitative methods are suitable when the research objective seeks to uncover individuals' feelings, beliefs and experiences (Bryman, 2012; Walter, 2010). Qualitative approaches are exceptionally diverse, sophisticated and nuanced (Williams & Vogt, 2011). For the purpose of this research, thematic analysis was selected as the fundamental method of qualitative methodology (Braun & Clarke, 2006).

Thematic analysis is "a method of identifying, analysing and reporting patterns (themes) within data" (Braun & Clarke, 2006, p. 79). This thesis represents an attempt to explore consumer-generated advertising firstly by using a more essentialist or realist method, which reports experiences, meanings and the reality experienced by participants. Following this, the investigation will involve a constructionist method, which acknowledges the ways individuals assign meaning to their experiences, and attempts to discover how the participants' perceptions are affected by the range of discourses active within society (Braun & Clarke, 2006). Therefore, the primary thematic analysis conducted within the essentialist paradigm will aim to reflect the reality of the CGA concept. Then, from a constructionist perspective, the analysis will attempt to unravel the surface of the phenomenon and theorise antecedents, contexts and conditions, which enable individuals to exhibit certain attitudes towards consumer-generated advertising. As recommended by Braun and Clarke (2006), the analysis will then be shifted away from a descriptive to an interpretive approach by relating the discovered patterns in CGA perception to an academic discourse based on the existing literature.

Consistent with the constructionist approach, the research epistemology will assume an active role played by the researcher, whose interest will be focused on certain aspects of the data, mostly related to predictors of CGA effectiveness. Such an understanding assumes a socially constructed, multiple and contextual reality because there are several different individual perspectives involved. This is congruent with the interpretivist's view, which posits

that “no amount of inquiry will converge on one single reality because multiple realities exist and these realities are changing” (Hudson & Ozanne, 1988, p. 509). Therefore, the analysis will provide a more detailed and nuanced account of a group of themes, within the data, rather than be an accurate reflection of the content of the entire data set.

From the methodological point of view, it is necessary to address the question of what can be considered a theme/pattern (Braun & Clarke, 2006). Strauss and Corbin (1990) defined patterns as “repeated relationships between properties and dimensions of categories” (Strauss & Corbin, 1990, p. 130). In this thesis, a consistent and repeated perceptual structure will be recognised as a theme. However, the approach will remain flexible (Braun & Clarke, 2006). If some of the expressed beliefs are found to be less frequent across the dataset, but are considered crucial for consumer-generated advertising, this element of knowledge will be also viewed as a pattern. The importance of the theme will depend on its content, rather than on the number of occurrences in the data set. Any vital element that determines CGA effectiveness for the mass audience will be considered a key pattern.

Themes within the data will be identified in an inductive or ‘bottom up’ way, meaning that they will be strongly linked to the data collected (Braun & Clarke, 2006). In this sense, thematic analysis will be performed within the major qualitative analytic tradition such as grounded theory (Ryan & Bernard, 2000). Grounded theory was first introduced in 1967 by Glaser and Strauss (Glaser, 1992, 1994; Glaser & Strauss, 1967; Strauss & Corbin, 1990, 1998), and has become one of the fundamental qualitative methodological frameworks in the social sciences. Grounded theory represents a method of theory development that is “grounded” in narrative data, which are systematically collected and inductively analysed (e.g. Strauss & Corbin, 1998). Essentially, it offers a set of flexible analytical guidelines that enable researchers to create inductive theories through consecutive stages of data analysis and conceptual development (Charmaz, 2005). The grounded theory methods encourage “simultaneous data collection and analysis, with each informing and focusing the other throughout the research process” (Charmaz, 2005, p. 508).

However, since the literature on consumer-generated advertising was explored before data collection, it is expected that to some extent the data coding will be influenced by ‘theoretical’ thematic analysis (Braun & Clarke, 2006), consistent with deductive thinking. Therefore, some of the codes will be influenced by the researcher’s theoretical knowledge based on the literature previously studied. This practice is commonly followed in marketing studies (e.g. Nyilasy & Reid, 2009), because “no qualitative method rests on induction alone – questions of the empirical world are framed and informed by existing knowledge” (Charmaz, 2005, p. 509). Meanwhile, it is expected that some new specific research questions will evolve from the ground up through the coding process, mapping onto the inductive approach.



### 3.3.2 Data Collection: Focus Groups

Data collection is performed through semi-structured, face-to-face focus groups. In social studies, focus groups are commonly used for “creating, collecting, identifying, discovering, explaining, and generating thoughts, feelings, and behaviours” for the purpose of exploratory research (Fern, 2001, p. 5).

The focus group method is expected to overcome some of the shortcomings of the previous qualitative research on consumer-generated advertising. Many studies have used a ‘netnographic’ approach by analysing the comments on CGAs posted online on video sharing platforms such as YouTube (Campbell et al., 2011a, 2011b; Ertimur & Gilly, 2012; Lawrence et al., 2013; Pehlivan et al., 2011). However, their content analysis is limited to the opinions of those consumers who wrote their posts, and does not consider the perceptual responses of a passive audience who did not provide any comments or feedback. This may have led to an inadequate representation of views on consumer-generated advertising.

In this particular case, the focus group method also has an advantage over ‘netnography’ because typically, online comments to CGAs are very brief and lack depth. Meanwhile, focus groups can provide rich data. Generally, a group of people is known to have greater capacity for producing ideas than individuals due to the group ‘therapeutic’ factors described in social psychology (Fern, 2001). For example, the mirror reaction that occurs in group discussions serves to relieve anxieties when individual participants realise that others share similar ideas, anxieties or impulses (Fern, 2001). Also, groups generate a ‘condenser’ phenomenon, defined as “an activation of the collective conscious and unconscious that makes it easier to talk about issues raised in the group discussions” (Fern, 2001, p. 15). Therefore, the focus group method is expected to reveal some elaborated thoughts on the subject and bring out an extensive range of important issues. The sampling procedure for the focus groups will be presented in Chapter 4: Exploratory Research Phase.

### 3.3.3 Data Analysis

Data coding was accomplished by using the constant-comparative method proposed by Strauss and Corbin (1990, 1998). After collating the raw data obtained from both focus groups, patterns were analysed using NVivo software. Firstly, the focus groups recordings were fully transcribed and then assessed by an initial reading in order to obtain a grasp of the content. Then, transcripts were uploaded into NVivo.

In the first step, texts were coded using a broad-brush technique (Bazeley, 2007; Bazeley & Richards, 2000) or open coding (Strauss & Corbin, 1998) to identify the main themes. During this stage, the data were broken down into concepts, discrete parts or

categories (Strauss & Corbin, 1990). Next, axial coding was used to compare codes and observe relationships between them; concepts were organised in structured trees according to the patterns discovered. As explained by Strauss and Corbin (1990), “axial coding puts those data back together in new ways by making connections between a category and its subcategories” (p. 97). During the third stage, selective coding was performed, which involves “detailed, slow, reflective exploration” (Bazeley, 2007, p. 69) of the texts, performed line-by-line with the goal of identifying “fine-grained themes” (Bazeley, 2007, p. 66). During this stage of the coding process, the data were integrated again at a higher, more abstract level of analysis. Strauss and Corbin (1990) suggest several steps through which this can be accomplished. Firstly, selective coding involves explicating the ‘story line’. Secondly, it consists of relating subsidiary categories around the core category using the paradigm. Thirdly, it involves relating categories at the dimensional level. Fourthly, it validates those relationships against the data. Finally, it creates filling-in categories that may need further refinement and development (Strauss & Corbin, 1990).

Following the outlined coding procedure, analysis was performed as a more recursive, rather than linear process (Braun & Clarke, 2006). The codes were refined many times, and the categories were merged, clustered and connected as recurring themes began to emerge. These themes were visualised using NVivo models (Gibbs, 2002).

Therefore, open coding assists in identifying themes at the semantic level; that is, “within the explicit or surface meanings of the data” (Braun & Clarke, 2006, p. 84). Meanwhile, axial and selective coding identifies latent themes which go beyond the surface meaning of the data. These are the “underlying ideas, assumptions and conceptualizations ... that are theorized as shaping or informing the semantic content of the data” (Braun & Clarke, 2006, p. 84). The coding procedure described by Strauss and Corbin (1990, 1998) is also consistent with the six stages of the thematic analysis (Braun & Clarke, 2006), presented in the Table 3-2.

**Table 3-2:** Phases of Thematic Analysis (Braun & Clarke, 2006, p. 87)

<i>Phase</i>	<i>Description of the Process</i>
1. Familiarizing yourself with your data	Transcribing data, reading and re-reading the data, noting down initial ideas
2. Generating initial codes	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code
3. Searching for themes	Collating codes into potential themes, gathering all data relevant to each potential theme
4. Reviewing themes	Checking if the themes work in relation to the coded extracts and the entire data set, generating the thematic ‘map’ of the analysis
5. Defining and naming themes	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme
6. Producing the report	Relating the analysis to the research questions and literature, producing a scholarly report

### **3.4 STAGE II: MODEL VALIDATION AND HYPOTHESES TESTING THROUGH QUANTITATIVE STUDY: AN EXPERIMENTAL APPROACH**

The second research stage is aimed at testing the hypotheses, based on qualitative findings. This will be achieved using an experimental approach. An experiment is a research method in a positivist paradigm, which is used to establish causal relationships between one or more independent variables and one or more dependent variables (Lewis-Beck, 2004). “An experiment is characterised by the (1) manipulation by the researcher of one or more independent variables, (2) use of the controls such as randomly assigning subjects, and (3) careful observation or measurement of one or more dependent variables” (Kirk, 2013, p. 6). Controlling for the experimental conditions helps to eliminate alternative explanations of the results (Jackson, 2006) and will aid in making more accurate predictions of the CGA effects.

Manipulation of one or more independent variables is essential for attempting to infer some level of causality (Kirk, 2013). Causality is an exceptionally complicated concept; nevertheless, the manipulability notion plays an important role in the way scientists view causal explanations (Losee, 2011; Pearl, 2000; Woodward, 2003). “We have at least the beginnings of the explanation when we have identified factors or conditions such that manipulations or changes in those factors or conditions will produce changes in the outcome being explained” (Woodward, 2003, p. 10). Manipulation is vital for testing the validity of the cause-effect relationship: “what makes  $p$  a cause-factor relative to the effect-factor  $q$  is the fact that by manipulating  $p$  we could bring about the changes in  $q$ ” (von Wright, 1970 cited in Losee, 2011, p. 143). Expressed simply, manipulation of one factor can cause another factor to vary (Woodward, 2003) or, as Holland (1986) concisely stated: “no causation without a manipulation” (Holland, 1986, p. 959).

Complexity of causality has produced a vast amount of academic debate (Collins, Hall, & Paul, 2004; Losee, 2011; Pearl, 2000; Woodward, 2003), however for the purpose of this research, the following conceptualisation of causality will be used: “we infer that  $A$  causes  $Y$  if the following are true:  $A$  precedes  $Y$  (temporal precedence of  $A$ ); whenever  $A$  is present,  $Y$  occurs (sufficiency of  $A$ ); and  $A$  must be present for  $Y$  to occur (necessity of  $A$ )” (Kirk, 2013, p. 6).

The experimental design for this research was developed after completion of the first qualitative stage of the research. It will be presented in Chapter 6 and Chapter 7, which are devoted to the experimental studies. Quantitative data analysis, selection of constructs and dependent measurements will be discussed after the conceptual model in Chapter 5.

### **3.5 CHAPTER SUMMARY**

This chapter presented a detailed overview of the research methodology used for studying consumer-generated advertising. This included the selection of the mixed method research strategy. The interpretive paradigm was considered an appropriate approach for the first explorative stage, which was expected to result in model development and conceptualisation of the relevant constructs. Moreover, this chapter emphasised the importance of grounded theory for theory development. The positivist paradigm was selected for the second quantitative research phase, aimed at empirical model testing. The next chapter will present the key findings that emerged during the exploratory research phase.

## **Chapter 4**

### **EXPLORATORY RESEARCH PHASE**

#### **4.1 INTRODUCTION**

The literature has largely neglected the impact of consumer-generated advertising on consumers-observers who were not engaged in the advertising co-creation process. Previous research has provided controversial findings, which included both positive and negative CGA effects. For that reason, the primary goal of this exploratory study is to identify moderating factors that may influence consumers' attitudinal and behavioural responses. This will be accomplished using a qualitative approach. The selected methodology adopts the analytical focus of existing grounded theory, and facilitates the emergence of new theoretical ideas about CGA using two semi-structured, face-to-face focus groups. One focus group was conducted with CGA-creators, while another involved CGA-viewers. The obtained rich data is expected to assist in generating a framework and hypotheses that will be tested in a subsequent empirical study. This chapter is therefore part of a larger investigation. After presenting data collection procedures and the sample, it will focus on findings and discuss emergent trends drawing on pertinent academic literature strands.

#### **4.2 DATA COLLECTION**

##### **4.2.1 Data Collection Procedures**

Based on insights from the CGA research and methodological literature (Bloor, Frankland, Thomas, & Robson, 2001; Edmunds, 1999; Fern, 2001), an initial discussion guide was developed. It was built on four key questions: What are the perceptions of consumer-generated advertising? Which ads are more credible – CGA or company advertising? Which products are best suited for CGA? How should effective CGAs be constructed? In total, the discussion guide included a set of 12 questions. Each focus group lasted about 1.5 hours.

Apart from thought-collecting tasks, a focus group of ad viewers was offered experiential tasks, which allowed observing their reactions to various consumer-generated ads demonstrated during the sessions. Respondents were exposed to contests for consumer-

generated ads created by members of the Zooppa online community for such brands as Silk, Megapath, Margaritaville, Wholly Guacamole and Amazon Wireless, along with the commercials submitted for Doritos' CGA campaign "Crash the Super Bowl" and Picnic's contest "It's No Picnic".

#### 4.2.2 Sampling and Participants

To achieve a deeper understanding of the CGA phenomenon, two focus groups were conducted: one with consumers-observers, and another with consumers-creators. Both groups then provided their views from their different perspectives. The focus groups included eight and seven participants respectively. All the participants were recruited among university students. Their demographic characteristics are presented in Tables 4-1 and 4-2.

While it was straightforward to recruit ad viewers, recruiting ad creators, i.e. amateurs who have experience in creating their own consumer-generated ads, was a more challenging task. Participants of the second focus group were recruited with the help of an advertising competition. Students from the College of Education at The University of Canterbury were invited to create video advertisements to promote their degree of Bachelor of Education, specialising in Physical Education (BEdPE) or Bachelor of Sport Coaching (BSpC). The focus group was conducted with the finalist student team that had generated a one minute advertisement for the task. During the ad creation process, students participated in different jobs: arranging human and technical resources, writing a script, filming and acting. Importantly, no single person from the team had any marketing background or was previously involved with the advertising industry or filmmaking. This ensured that expressed opinions were not affected by professional knowledge of marketing or advertising. The experience of these contestants is similar to other consumer ad competitions, while the demographic characteristics of participants match the typical Internet contributors, who are normally between 12 and 26 years old (Arnhold, 2010).

**Table 4-1:** Demographic Characteristics of Participants, Focus Group 1

<b>Respondent ID</b>	<b>Age</b>	<b>Gender</b>	<b>Marital Status</b>	<b>Nationality</b>	<b>Occupation</b>	<b>Area of Study</b>
R1.1	42	Male	Single	Australian	IT Technician / student	IT
R1.2	42	Male	Married	NZ European	Electrician / student	Management
R1.3	39	Male	Single	Jamaican	Student	Information Systems
R1.4	38	Female	Single	Malaysia	Student	Management
R1.5	24	Male	Single	NZ European	Student	Engineering
R1.6	19	Female	Single	NZ European	Student	Art History

R1.7	22	Male	Single	New Zealander	Student	Psychology
R1.8	21	Male	Single	NZ European	Student	Mathematics

**Table 4-2:** Demographic Characteristics of Participants, Focus Group 2

**Focus Group 2**

<b>Respondent ID</b>	<b>Age</b>	<b>Gender</b>	<b>Marital Status</b>	<b>Nationality</b>	<b>Occupation</b>	<b>Area of Study</b>
R2.1	22	Male	Single	NZ European	Student	Physical Education
R2.2	26	Male	Single	NZ European	Student	Physical Education
R2.3	21	Male	Single	NZ European	Student	Physical Education
R2.4	21	Male	Single	British	Student	Physical Education
R2.5	21	Female	Single	NZ European	Student	Physical Education
R2.6	21	Female	Single	NZ European	Student	Physical Education
R2.7	21	Female	Single	NZ European	Student	Physical Education

## **4.3 FINDINGS: PROCESSING AND IMPACT OF CONSUMER-GENERATED ADVERTISING**

### **4.3.1 Complexity of the CGA's Impact**

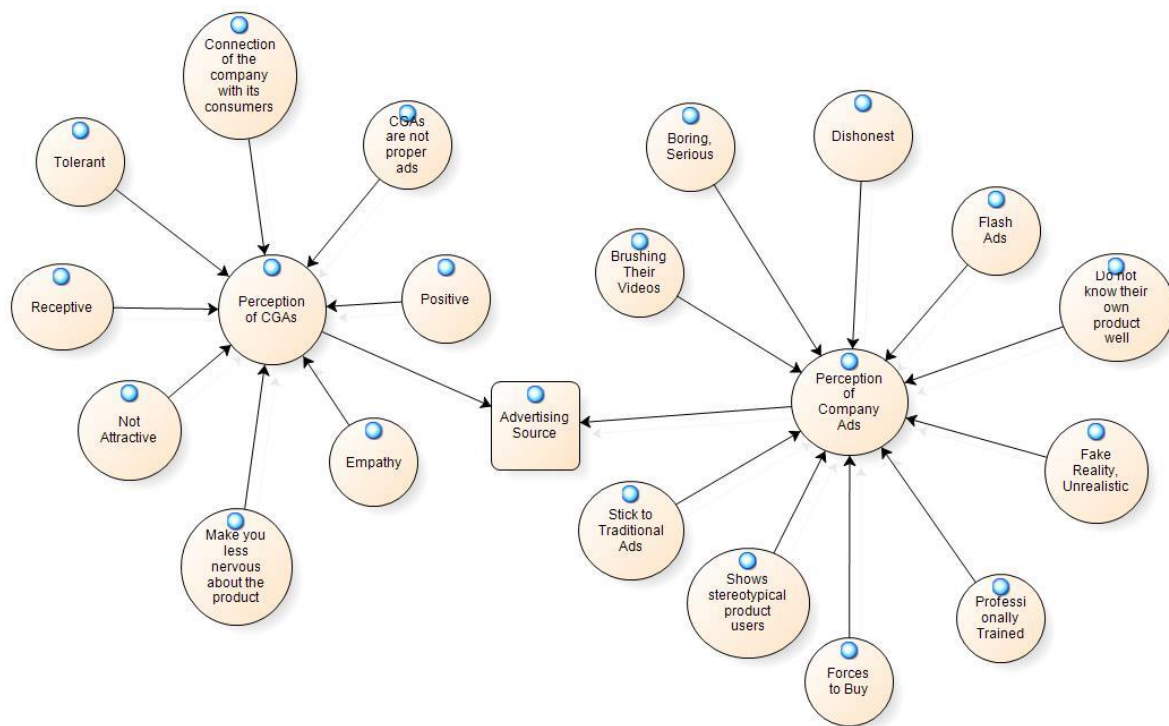
On the basic level, participants conceptualise company advertising as that which “forces to buy”. Meanwhile, CGA is viewed as indicating a “connection between the company and its consumers”. It is more “relaxed” than company advertising, and “makes you less nervous about the product”. However, although participants revealed the difference in responses to consumer-generated and company ads, those differences were significantly more complex than a simple preference of one or another ad type (see Figure 4-1). Indeed, to approach the issue of CGA effectiveness, consumer and company ads should be characterised using subtlety and potentially incorporating multiple layers.

Some participants accused company ads of being “dishonest” and “creating fake reality”. In essence, respondents from the creator’s group strongly believe that companies “do not know their own product well”, and that is the reason why they are heavily relying on stereotypes in their ads. For instance, almost always they are showing “stereotypical product users” instead of real ones. Also, in the respondent’s view, companies usually create “flash ads” and “brush their videos” via the services of “professionally trained” people. Company ads were commonly perceived as “boring and serious” and highly “irritating”. However, despite all the criticism, some participants from the viewer’s focus group suggested they “stick to traditional ads”, because consumer-generated advertising cannot be “taken seriously”.

However, consumer-generated advertising has its limitations, and perceptions of it are far from uncompromisingly optimistic. Responses to CGA were not always positive. In fact, most of the respondents shared mixed feelings about CGA. On the one hand, consumer-generated advertising was perceived as potentially more “positive” than company advertising. Respondents acknowledged that they would probably be more “tolerant”, “receptive” and experience “empathy” to an ad and its creators if they knew it was created by a fellow consumer. On the other hand, CGAs were severely criticised; participants declared that CGAs are “not proper ads”, are “not attractive” and “not serious”. Thus, participants’ attitudes towards CGA appear to be not limited to a simple relationship between advertising source and an advertising outcome. Instead, the data shows that responses to CGA are anything but simple, highlighting the complexity of the CGA persuasive influence.



**Figure 4-1: NVivo Model: Attitudes towards CGA and Company Ads**



Seven main concepts emerged from the focus group discussions. Participants identified that CGA success depends on (1) recognition of consumer-generated advertising, (2) advertising quality, (3) product involvement, (4) perceived expertise of ad creators, (5) motivations of ad creators, (6) scepticism towards CGA, and (7) consumer's creativity. Therefore, the phenomenon of CGA involves multiple factors influencing the attitudinal and behavioural responses of the audience. The following sections will present and discuss the main qualitative findings.

### 4.3.2 Recognition of Consumer-Generated Advertising

#### *Almost Unrecognisable CGA*

The audience does not realise that some ads they are watching are, in fact, consumer-generated because of their high professional quality. Indeed, identifying who participates in consumer advertising contests is more complicated than it appears at first glance. Apparently, the skills and abilities of CGA-creators vary in excellence from amateur to highly professional. Kozinets et al. (2008) noted that consumer “crowds”, which can be associated with “organized work networks, art studios, factories and even medieval craft guilds”, have their own versions of “masters, apprentices, and journeymen” (Kozinets et al., 2008, p. 352). Clearly, among the contestants there are not only consumers inexperienced in advertising, but also experts – filmmakers, advertising professionals and freelancers. This rich diversity of skills provides a large variety of creativity and explains why there is often a significant difference in the quality of production, styles, content and approaches. It also clarifies why sometimes it is difficult to distinguish between consumer-generated ads and professional ads created by marketers.

Respondents revealed that professional-looking consumer-generated advertising is perceived in the same way as company advertising: “slick”, “well-done”, well “practiced” ads involving “good acting”. Thus, there is no difference in the attitudes to professionally produced CGA and company advertising:

*“They [creators of professional CGAs] are not ordinary consumers: they are people with skills and cameras” (R1.3)*

*“Very clever. They [companies] don’t have to pay much money. And it is the same as professional ads” (R1.8)*

*“There might be no difference in the response because they are just ads” (R1.1)*

*“I do not see much difference. It’s [a] really good ad, it looks professional, it looks like [a] real ad: traditional” (R1.1)*

*“They [professional quality CGAs and company ads] are both similar. If I was shown two professional ads side by side, but told that one of them was actually made by a consumer, which is false, what’s the difference?” (R1.7)*

*“Straight away they [professional quality CGAs and company ads] are both the same regardless [of] who made them” (R1.7)*

Therefore, findings suggest that professional-looking CGAs are likely to be perceived as traditional TV ads. In participants’ view, consumer-generated advertising seem to exhibit no performance advantages to company ads, unless the source is mentioned.

#### *CGA Recognised through Source Awareness*

Viewers can identify the consumer source of advertising through ‘source awareness’. For the purpose of this research, the term source awareness is defined as revealing information that is overtly stated in the ad, often in the form of a subtitle or label, and other signals to the audience that the particular advertisement was created by a consumer.

As indicated by focus group participants, source awareness may have a profound impact on the effectiveness of consumer-generated advertising. Respondents strongly believe that source awareness that was “somehow sneaked” into their mindset may facilitate more positive responses from the audience. However, data suggest that if viewers fail to recognise they are watching a consumer-generated ad, it will most likely lose its appeal:

*“I think I would incline to react more positively to an ad that I knew was created by a consumer than I would ... to an ad that I knew was created by a professional company” (R1.3)*

*“[An advertisement for] Picnic lost its attractiveness because you did not know at that time that it was a consumer-generated ad” (R1.8)*

*“If I knew it was [a CGA], I would be a little bit more tolerant” (R1.2)*

*“If I knew that it was a consumer-generated ad, I would find it kind of cute. But if I knew that it involves actors professionally trained to be cute, that would just irritate me” (R1.3)*

*“Generally speaking, when I see advertising, I don’t like it. I feel like it forces me to make up my mind. I dislike that in general. If I know that some ads are consumer-generated, I sort of feel a sense of empathy for the people who are doing it. I know what*

*[it takes] to get together with friends and try to put on a sketch. You sort of get a sense of behavior. But [not so when] it's being done by professionals who sit down and think 'All right, how can I manipulate them?'" (R1.3)*

These findings are consistent with co-creation research, which has found that the claims of co-creation positively influence consumer brand perceptions and behavioural intentions (van Dijk, Antonides, & Schillewaert, 2014). Similar propositions about the importance of source introduction in consumer-generated advertising were made by Lawrence et al. (2013). However, these findings contradict Thompson and Malaviya (2013) who found that disclosure of the consumer advertising source is likely to produce a negative effect. This is because recipients are generally sceptical towards the ad-making competence of fellow consumers. This scepticism remains sturdy unless additional background information about the CGA-creator is introduced, increasing the perception of similarity between the ad creator and the audience and, therefore, activating the process of identification (Thompson & Malaviya, 2013).

#### *CGA Recognised through Source Salience*

Consumer-generated advertising can be recognised through 'source salience', or a set of easily noticeable cues that provide recipients with a spontaneous awareness of the ad's consumer source. These cues may take a form of low advertising quality and amateur acting.

A loss of visual quality is commonly associated with amateur ads. This apparently trivial observation is quite crucial for consumer-generated advertising. It implies that advertising quality represents a salient cue through which consumers can identify a consumer source for an advertisement. The creator's focus group suggested that it is not necessary to explicitly label an ad as consumer-generated. They report that the audience will be able to recognise the source "just by the quality of the film" (R2.7) and eventually "everyone will see the difference anyway" (R2.1). This intuitive recognition can be explained by the concept of salience (see Section 2.7 for discussion).

In summary, current research shows that a source of consumer-generated advertising can be identified by using two different processes or a combination: source awareness and source salience. While source introduction or source awareness is a common approach with which to investigate the effects of consumer-generated advertising (Lawrence et al., 2013; Thompson & Malaviya, 2013), little is known of how source salience will affect advertising outcomes. The qualitative findings suggest that salience cues are used by viewers to make inferences about the origin of an advertisement. When exposed to amateur-looking ads, it is

likely that individuals will attribute them to a fellow consumer, directed by psychological mechanisms involving information processing and causal attribution (Taylor, Crocker, Fiske, Sprinzen, & Winkler, 1979; Taylor & Fiske, 1975, 1978) and source memory retrieval (Anderson & Bower, 1974; Johnson et al., 1993; Pham & Johar, 1997).

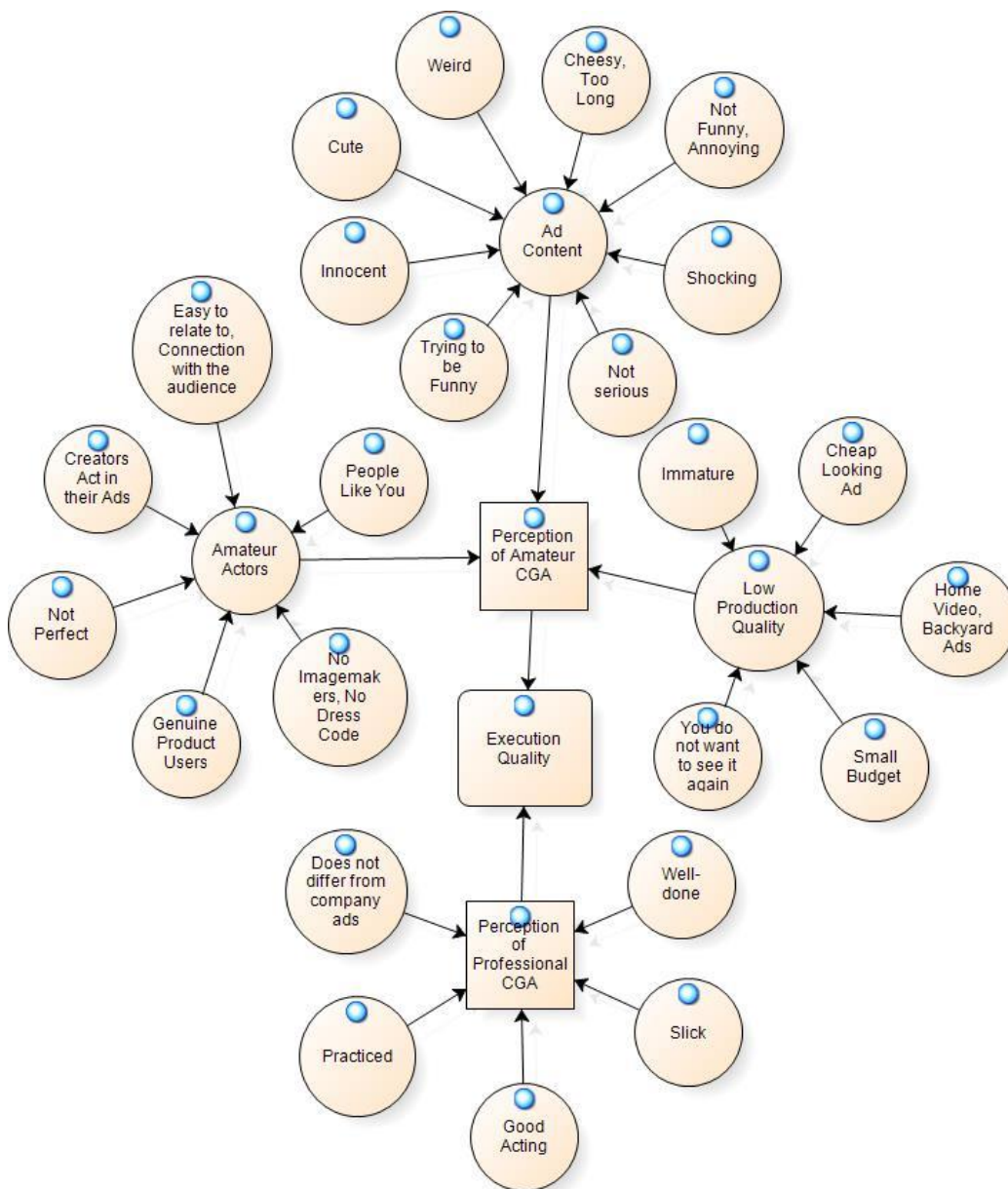
#### **4.3.3 Attitudes to Amateur Consumer-Generated Advertising**

While award-winning consumer-generated ads often have a professional look, a large proportion of consumer-generated ads are created by amateurs. In the classical meaning, an amateur is “a hobbyist, knowledgeable or otherwise, someone who does not make a living from his or her field of interest, a layperson, lacking credentials, a dabbler” (Keen, 2007, p. 36). Amateurism is commonly associated with loss of quality and as a salient feature, it represents an important determinant in the process of judgement formations (Montoya & Horton, 2013).

In advertising, ad quality has been traditionally considered to be a major determinant of advertising effectiveness. It is also one of the key antecedents to attitude towards the ad ( $A_{ad}$ ) (MacKenzie & Lutz, 1989; MacKenzie, Lutz, & Belch, 1986). Not surprisingly, both focus groups distinguished between amateur and more professionally created consumer-generated ads. Their opinions, however, about these two advertising categories appeared to be contrasting. While ad creators fully supported and justified amateur quality in CGA, viewers wished that CGAs were produced more professionally.

From the focus groups, amateur consumer-generated advertising has three vital aspects: low production quality, amateur acting and immature ad content (see Figure 4-2). Both positive and negative attitudes towards amateur CGA were expressed, and the extent to which CGA should remain amateur has been debated.

**Figure 4-2: NVivo Model: Perception of CGA Production Quality**



#### *Low Production Quality*

There are “two critical objections to the attractiveness of the networked information economy: quality and cacophony” (Benkler, 2006, p. 167). Problems with quality can be certainly observed in relation to user-generated content and in particular, consumer-generated advertising. The quality of an award-winning ad created by a leading advertising agency is quite different to a consumer-generated ad produced by a group of students. People may not enjoy CGA in the same way they would enjoy a creative and professionally produced commercial. However, it does not follow that diminished levels of enjoyment necessarily lead to less influential ads. For instance, CGA-creators believe that amateur quality indicates the ad is “innocent and active”:

*"If it [the ad] is made just by average people like we are, it makes people think differently" (R2.1)*

*"Then you know that they [the advertisers] are not going to scam you or try to rip you off: they do not want your money or whatever" (R2.3)*

In public discussions of the Internet, the quality of digital products is often a common subject (Benkler, 2006; Keen, 2007). Quality is being understood as "a characteristic of information, knowledge, and cultural production that is negatively affected by the shift from an industrial to a networked information economy" (Benkler, 2006, p. 168). Recent changes in marketing have led to the emergence of low cost, low quality advertisements. Some respondents openly admitted they were not interested in consumer-generated advertising because they believed it was not as attractive as high production cost, professional ads.

Because of the low quality of digital products that amateurs typically produce and upload in the Internet, individuals do not always consider them worth their attention (Keen, 2007). While some celebrate the cult of the amateur, others accuse laypeople that create media content of being superficial and incompetent (Keen, 2007). "What the Web 2.0 revolution is really delivering is superficial observations of the world around us rather than deep analysis, shrill opinion rather than considered judgement. The information business is being transformed by the Internet into the sheer noise of a hundred million bloggers all simultaneously talking about themselves" (Keen, 2007, p. 16). This disturbing trend is also relevant to consumer-generated advertising.

The low production quality of amateur-looking CGA has been a common thread in this discussion. The feedback from the viewer's focus group strongly holds that amateur CGAs are "immature", "cheap looking ads" created with a very "small budget". Respondents used such expressions as "home video" and "backyard ads" while referring to amateur CGAs. There was a noticeably strong negative reaction. This was declared in a distinctively unambiguous way – "you do not want to see it again" (R1.7):

*"The problem with these ads is that they look cheap and they make a product look cheap. I would not buy this drink-maker because its ads were cheap; they [made] the product ... [uninteresting]" (R1.1)*

*"They look cheap. I'm not interested. I'm not really interested in ads at all, but I pay more attention to professional ads. These*

*ones I can't watch because I just don't take them seriously"*  
(R1.6)

Therefore, CGA-creators believe that amateur quality may lead to enhanced credibility. However, viewers perceive amateurism in advertising as a brand weakness and a sign of low product quality. Negative attitudes towards amateur CGAs can be explained using the theory of social comparisons by Festinger (1954). From this perspective, amateur and professional advertising may represent low and high standards for the audience. Normally, people evaluate themselves to be and feel better after associating themselves with a high rather than a low standard (Mussweiler et al., 2004). Individuals may not want to be associated with a low standard in order to preserve their reputation and self-image (Corcoran et al., 2011; Taylor & Lobel, 1989). Instead, consumers would rather enhance their image using their connection to an attractive source (Kelman, 1961).

### *Amateur Acting*

CGA-creators frequently self-endorse in their own ads, and often their amateur acting is evident. The majority of ad creators believe that amateur acting increases advertising effectiveness by enhancing identification with the source through perceived similarities with ad creators. In their opinion, amateur actors are "people like you", and this represents a significant advantage over company advertising, which typically uses professional actors. Amateur actors filmed in CGAs are "not perfect", they have "no image-makers" and "no dress-code", and they do not reflect the stereotypical image portrayed by the ideal average product user. This, in the respondent's view, allows the target audience to better "relate" to the ad, as well as form "unique" and strong "connections" with the brand:

*"I wanted to make a statement and so I was an actor [in the consumer ad], but it was straight from my heart. Yeah, it was pretty me" (R2.7)*

*"We are not actors but we still did a good job. We actually knew what we were talking about. And we were genuine about what we were delivering" (R2.4)*

*"I think [an] ad with professional actors would look fake; it will lose its relaxed [feeling], it would lose the realness. And would the agency rather pick stereotypical slim models?" (R2.6)*



*“It’s obvious, we are not actors and that made a change. That made [our ad] more reliable than those ones where people are obviously actors” (R2.1)*

*“I think if you see someone from the public in the film, you can relate better than to someone who used to get brushed, used an image-maker, bright gear, and clothing. It is like ‘I’m not part of it’” (R2.7)*

*“It’s probably easier to relate to them [ads with consumers-actors] than to big flashy ads on TV” (R2.3)*

Another vital point is that amateur actors, from the ad creators’ point of view, are able to increase the overall credibility of the message. Amateurs are often perceived as genuine consumers who have been using the product over a long period, have “lived through it”, know it well and absolutely love it, as opposed to actors for whom endorsing products is a normal constituent of their job, and therefore does not necessarily reflect their personal preferences:

*“People who create ads need to be genuine, someone you can relate to, people that you would actually describe when you pay for this product. Not like in Proactive, Justine Bieber [not like celebrity endorsers]. ... He may be paid thousands of dollars for this ad, but he may be using this product just once or twice, and he is not a genuine customer. Whereas we’ve lived, we have gone through [everything related to our product], so we are genuine people” (R2.7)*

This can be contrasted with the focus group of ad viewers, who provided an opposite point of view. Overall, they did not consider amateur acting to be either entertaining, or attractive:

*“I still prefer a consumer-generated ad where there are actually good actors, [who have] practiced the script, because if they [have] not and if they’re really cheesing, it’s really cringe-worthy and you really do not want to see it again” (R1.7)*

Therefore, CGA-creators advocate the idea of using amateur actors; they find this to be reasonable and beneficial for the brand. On the other hand, CGA-viewers value entertainment delivered by professional actors.

### *Immature Content*

Respondents expressed mixed feelings toward the content of amateur CGAs. Such content has been described as simultaneously “innocent”, “shocking”, “cute”, “weird”, “cheesy” and “not serious”. Amateur consumer-generated ads exhibit multiple humorous attempts, both successful and not. Participants have the impression that CGA-creators “try hard to be funny”, but often their ads are just “annoying”:

*“I think that all [CGAs] try to go for a bit of humour, but only for some it works” (R1.7)*

*“I think a consumer ad has to be funny” (R1.6)*

*“I noticed that all consumer-generated ads try to have an element of comedy or humour and I presume that they all will have to be restricted to humour. They all have to be humorous” (R1.2)*

*“The less humorous they are the more professional they have to look to work” (R1.7)*

Another common feature, noticed by the participants, is that amateur consumer-generated ads are “too long” and almost boring:

*“May be not for my taste: shorter may be, sharper” (R1.7)*

*“It stopped to be funny and started to be annoying because that particular part should have been shorter” (R1.3)*

*“I think most of [the] ads were too long and then you tend to get bored” (R1.4)*

### *Amateur or Professional CGA?*

The vast majority of the participants agreed that consumer-generated advertising should retain its “amateurish look”. Otherwise, it will be like “another ad on TV” and lose its unique appearance:

*“I think consumer-generated [ad] may have to look ... consumer-generated. If it is too slick, it looks like it is professional” (R1.1)*

*“It has to have [a] slightly immature feel. Otherwise it loses its punch” (R1.8)*

*“What’s the point [in doing a] professional ad if you lose the effect of [a] consumer-generated ad. The only positive [to] that ad would be ... that it is cheaper” (R2.1)*

However, to what extent should a consumer-generated ad appear to be amateur? The focus group of viewers concluded that the production quality of consumer-generated ads should fall in the middle of these two extremes. That is, CGAs should be neither too professional, nor too amateur. Nevertheless, CGAs should have features that are easily distinguished from professional company ads based on salient cues:

*“There are different edges – more professional and really crap. You have to have some standard of professionalism, but still it has to be obvious that it is a consumer-generated ad” (R1.2)*

Consumer-generated ads should, however, be produced skilfully enough with quality actors that the major downsides of amateur ads are avoided. Overall, consumers place importance on the quality of consumer-generated advertising, but they admit that they need “something that is obviously low budget, but done with some brains and some skills” (R1.8):

*“It has to look like it quite obviously was done by somebody with a home video camera, but it should be slick, smooth, good acting. Even if you see it is a consumer-generated [ad], it should not flow around: [it] can’t be cheesy at all” (R1.7)*

The present findings are consistent with those of Ertimur and Gilly (2012). They similarly discovered that the audience wants the ads to be real and sincere; however, the audience also wants CGAs to resemble more professional advertisements (Ertimur & Gilly, 2012). Also, the present findings extend work by Lawrence et al. (2013). Here, the responses towards the average quality CGA were examined and found that individuals tend to hold lower quality expectations to CGAs than they do towards company ads (Lawrence et al., 2013).

#### 4.3.4 Involvement in Consumer-Generated Advertising

Most participants strongly believed that CGA is not suited to all types of products: the “consumer-generated ad’s style would lean to some products more than others” (R1.5). The underlying assumption corresponds to the concept of involvement. In the social sciences, involvement is conceptualised as an internal state of arousal (Andrews, Durvasula, & Akhter, 1990, p. 28) or more often as personal relevance (Celsi & Olson, 1988; Zaichkowsky, 1985). Specifically, involvement can be defined as “a person’s perceived relevance of the object based on inherent needs, values and interests” (Zaichkowsky, 1985, p. 342). Therefore, the level of involvement is determined by the degree to which an individual perceives an object of interest to be personally relevant (Celsi & Olson, 1988).

Based on the evidence provided from the focus groups, consumer-generated advertising better suits low involvement products as opposed to high involvement products. This implies that CGA is possibly more effective for products of low personal relevance meaning that there is a weak perceived linkage between an individual’s needs, goals and values, and the product attributes (Celsi & Olson, 1988).

Product involvement can be also defined as enduring involvement (Andrews et al., 1990; Celsi & Olson, 1988; Richins, Bloch, & McQuarrie, 1992). Conceptually, the term ‘product involvement’ is similar to the term ‘ego-involvement’ introduced by Sherif and Cantril (1947). Ego-involvement occurs when an object is related to the self-concept that comprises the unique set of personal standards, goals, ambitions, values and behaviours (Sherif & Cantril, 1947). Likewise, highly involved individuals will look for a product that will reflect their identity or ego (Laurent & Kapferer, 1985; Warrington & Shim, 2000).

However, as suggested by focus groups, if a product is utilised as a tool for self-expression and is designated to match the individual’s identity, it should not be promoted with consumer-generated advertising. The format and quality of CGA simply does not suit high involvement goods. Being “product-specific advertising”, CGA is able to better present products that are not strongly associated with the consumer’s identity. Expensive ‘ego-involvement’ goods, on the other hand, require “flash” traditional ads:

*“I think it will be difficult to sell products [of] high quality [using CGA]. If you are doing fashion, these kind of ads just won’t work. Apparently you need to sell something of low quality”*  
(R1.1)

*“I think if you use consumer-generated ads for a car, it would be less credible. For example, a big company goes to*

*consumers to create an ad. And you are relying on the company for certain features like safety and other things. You want an ad to be very slick and professional. So I mean the car, no... chocolate bars, yes..." (R1.2)*

*"I think there are two underline scripts. One of them is 'people like you like this product' and [the other is] 'you want to be like these people' who are driving this car. But things like junk food and other small items, you'd market them differently, you'd market them as 'people who are like you'. Correct? And consumer-generated ads probably work a lot better for the ... 'people like you' type of ad" (R1.3)*

*"It would depend on a product. I would not sell something like fashion. I would sell take-away food" (R1.1)*

Drawing on the features of involvement specified by Laurent and Kapferer (1985), consumer-generated advertising can be used more effectively if four conditions are met. These are: (1) low perceived importance of the product (its personal meaning); (2) low perceived risk associated with the product purchase (i.e., low perceived importance of negative consequences from a poor choice, and low perceived probability of making such a mistake); (3) not significant symbolic or sign value attributed by the consumer to the product, its purchase, or its consumption; and (4) low hedonic value of the product, its emotional appeal, its ability to provide pleasure and affection (Laurent, Kapferer, 1985, p.43). Overall, respondents highlighted that these propositions are relevant for consumer-generated advertising:

*"It depends what the company is. So when you [consider] Doritos, they make potato chips, it's not a big deal. But if you insure your car, or go to a lawyer, you want to be fashionable, it's probably better to do a proper ad" (R2.1)*

*"Sometimes you need a professional film; you may want a car just driving nicely along the coast line... An expensive Porsche, it does not go with an amateur video" (R2.5)*

*"[The] target audience [that] is rich wants high production" (R2.3)*

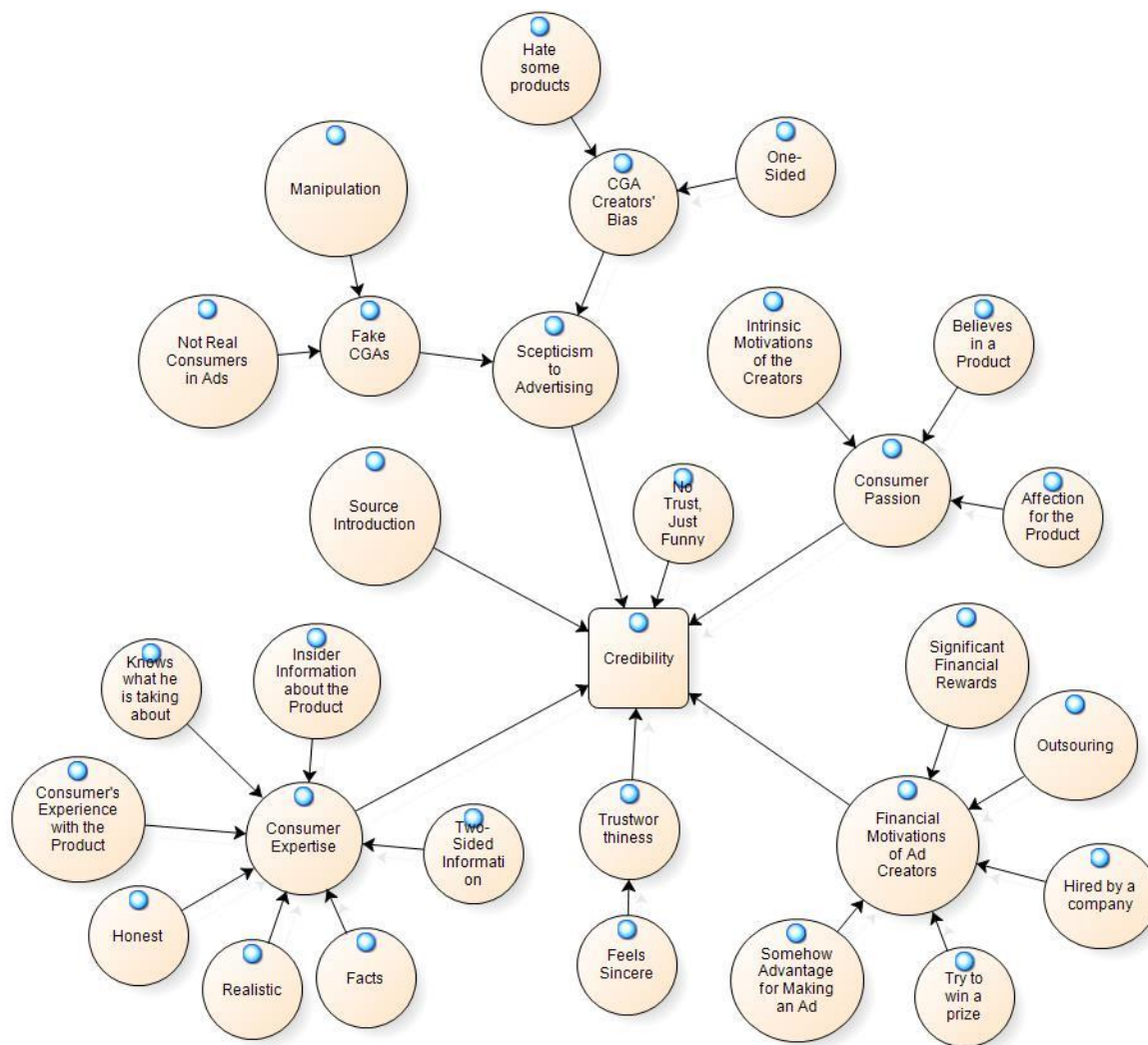
These findings can be best explained by the fact that involvement plays an important motivational role during information processing (Celsi & Olson, 1988; Petty & Cacioppo, 1986a). According to Celsi and Olson (1988), motivation to elaborate information can increase once a particular situation heightens personal relevance. Activation of personally relevant knowledge from memory creates a motivational state which “energizes” or “drives” consumer’s overt behaviour (Celsi & Olson, 1988, p. 211). As a result, highly involved individuals (1) devote more attention to the advertisements, (2) exert greater cognitive effort during comprehension of those ads, (3) increasingly focus their attention on product-related information in the ads, and (4) engage in more elaboration of the product information during comprehension (Celsi & Olson, 1988, p. 221). Similarly, Petty and Cacioppo (1981, 1986) show that personal relevance can enhance message elaboration by increasing motivation to process arguments (Petty & Cacioppo, 1986a; Petty, Cacioppo, & Goldman, 1981). Therefore, under high involvement conditions, consumers tend to scrutinise advertising and produce counter arguments (see section 2.4 for discussion of the ELM).

Findings obtained from the focus groups are consistent with Thompson and Malaviya (2013), who found that personal involvement, or the level of available cognitive resources, is one of the factors determining CGA effectiveness. According to their research, attributing an ad to a consumer source will increase persuasion only when the audience has limited cognitive resources to scrutinise the message (Thompson & Malaviya, 2013).

#### **4.3.5 Ad Creator’s Expertise and Credibility**

As revealed by focus groups, perceived credibility of consumer-generated advertising has three major determinants: the consumer’s expertise, the motivations of CGA-creators and scepticism towards CGA (see Figure 4-3). While consumer expertise and the intrinsic motivations of ad creators enhance CGA’s credibility, attitudes associated with monetary motivations of CGA-creators and consumer scepticism considerably reduce it. Therefore, the overall credibility of consumer-generated advertising can be seen as an attitudinal response resulting from the interaction of these positive and negative factors. This section will discuss the concept and the effects of consumer expertise. Sections 4.3.6 and 4.3.7 will be devoted to motivations and scepticism respectively.

**Figure 4-3: NVivo Model: Determinants of CGA Credibility**



Focus groups revealed that consumers frequently attribute expertise to the consumer source. Academic interest in source variables and their impact dates back to the early 1950s. Hovland, Janis and Kelley (1953) made pioneering propositions, suggesting that the persuasive outcome of communication largely depends on its source. They found that the differences in initial attitudes towards the sources significantly affected audience evaluations of the entire presentation (Hovland, Janis, & Kelley, 1953). Furthermore, it was found that the source of the message may be even more important than its content: “judgements of content characteristics, such as how well the facts in a given communication justify the conclusion, are significantly affected by variations in the source” (Hovland et al., 1953, p. 29).

Empirical findings suggested that the audience is more likely to accept the advocated position when it is presented by a highly credible communicator. Moreover, “the very same presentation tends to be judged more favourably when made by a communicator of high credibility than by one of low credibility” (Hovland et al., 1953, p. 35). Since then, the positive

relationship between source credibility and persuasion has been well documented by a substantial number of empirical studies (see for reviews Pornpitakpan, 2004; Sternthal, Phillips, & Dholakia, 1978).

Hovland et al. (1953) identified that individuals evaluate the source's credibility based on two key factors: the communicator's expertise and trustworthiness. Expertise then was defined as "the extent to which a communicator is perceived to be a source of valid assertions" (Hovland et al., 1953, p. 21). Later, McGuire (1985) introduces a broader concept of competence, which can be understood as comprising "general knowledgeability cues such as high level of education, intelligence, social status, professional attainment, familiarity with the issue" (McGuire, 1985, p. 263).

In focus groups, the majority of participants claimed that CGA's credibility derives from the consumer-creator's expertise. In the most general sense, it involves the CGA-creator's experiential knowledge based on their product use. In the respondent's view, consumer-generated advertising is credible when it exhibits "honesty" and contains "insider information about the product", or even two-sided information that normally would not be revealed by the company:

*"You actually enjoy a user-generated ad by a consumer who [is] actually using a product. When I'm going to buy a product I often go to YouTube to see if anyone was trying it out or testing it. It's quite nice to be able to see a product actually being in use" (R1.8)*

*"It feels that they [consumers] can give sort of inside information about the product, how it works and performs. The stuff the company might not tell you. And it feels sincere; it's where trust would come into consumer-generated ads" (R1.5)*

*"The only thing that may appeal about [a] consumer-generated ad is that it might actually be telling me about the product rather than just trying to make me laugh and think about the product. Otherwise it's going back to professional ads, because I'm just laughing about it" (R1.8)*

*"When I was researching backpacks, ... this guy just made a YouTube video to say: 'hey, this is my backpack; it has these features and so on'. And that impressed me" (R1.3)*



The present findings are consistent with prior research, which identified a positive relationship between similarity and expertise. Hovland et al. (1953) state that similar communicators may be perceived also as more expert communicators: “in certain matters persons similar to the recipient of influence may be considered more expert than persons different from him. An individual is likely to feel that persons with status, values, interests and needs similar to his own see things as he does and judge them from the same point of view. Because of this, their assertions about matters of which the individual is ignorant but where he feels the viewpoint makes a difference (e.g. about the satisfaction of a given job or the attractiveness of some personality) will tend to carry special credibility” (Hovland et al., 1953, p. 22). Further investigations show that communicators with a similar consumption experience appear to be more persuasive than more knowledgeable dissimilar communicators (Brock, 1965). However, researchers have been disputing which quality is more important for a salesperson, expertise or similarity to the consumer (Busch & Wilson, 1976; Woodside & Davenport, 1974).

The present findings suggest that similarity with the communicators possibly infer increased expertise, which can be further strengthened by demonstration of detailed technical knowledge and factual information. In other words, the audience would like to see that CGA-creators “know what they are talking about”:

*“I’d like to hear people who actually know what they are talking about, who are not bullshi\*\*ing” (R1.8)*

*“If you can get people [who are] knowledgeable of a product who can speak well of it, that works. That changes people’s minds. But I’m not convinced that some flash ad can make me buy something that I don’t really want” (R1.3)*

*“[A good CGA] is one when you look at it, you know people who are doing it know a lot about [what] they promote. You can see it; they know what they are doing” (R2.2)*

*“You can go in a couple of ways. Like either you can provide believable insider’s [information] about what may be [the] good qualities of the products, or you just have to use humour” (R1.5)*

By gaining confidence in the ad creator's expertise, viewers engage in the internalisation mode of persuasion<sup>6</sup>. Internalisation occurs when an individual is "trying to form an objectively correct attitude and is concerned with the validity of the information" (McGuire, 1985, p. 262). Respondents from the CGA-creator's group emphasised that consumer-generated advertising is utterly different from company advertising because it is "realistic" and does not alter or exaggerate facts. Ad creators claimed that they had been completely honest delivering advertising claims and showed the product as it was "in reality". On the other hand, advertising agencies often overstate product benefits:

*"I think it is the time when people start getting sick of unrealistic ads that promote [an] unrealistic world" (R2.2)*

*"I think you may relate [better to a consumer-generated ad], because it is simply realistic. It is not the fake reality or dressed up reality like as when thousands of dollars are pumped up in the ad" (R2.2)*

*"There were not any false 'pot rails' in our video at all. We were not promoting any messages or ideas that aren't realistic. We were genuine about what our [product] is like. It was very honest" (R2.4)*

*"Even if it is cheesy, when you listen to it, we are still very sincere" (R2.6)*

*"You can see how the companies compete against each other on TV. They are here not to provide a better service for us. [But we] are not competing. In our ad you can see – this is our product, this is how it is for us, the realness. It's your choice [to buy it or not]. There is no: "our [product] is better than other [products]". This is our [product], this is how it is, you like it or not" (R2.7)*

However, it is not enough simply to be an expert; the source must be perceived as trustworthy enough to report the truth (Hovland et al., 1953; Hovland & Weiss, 1951; McGuire, 1985). Otherwise a receiver may suspect that a communicator is motivated to present non-valid information (Hovland et al., 1953). Trustworthiness is therefore another crucial determinant of credibility, defined as "the degree of confidence in the communicator's intent to

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<sup>6</sup> Three modes of persuasion have been identified: internalisation, introjection and compliance (Kelman, 1961).

communicate the assertions he considers most valid” (Hovland et al., 1953, p. 21). Alternatively, according to McGuire (1985), trustworthiness “derives from the source’s apparent sincerity, disinterest in the outcome, lack of intent to persuade” (p. 263). Communicators are perceived especially sincere when they argue against their own interests (Eagly, Wood, & Chaiken, 1978). As demonstrated by previous research, when the audience does not expect advocacy for certain brands or messages, fewer counterarguments arise (Sternthal et al., 1978) in response to the advertising message. This is when the perceptions of a communicator’s motivations become vastly important.

#### **4.3.6 Motivations of CGA Creators: Money vs. Brand Love**

Much of contemporary economics is based on a simple model of motivation (Smith, 2013). The basic assumption holds that the positive utilities – things people want – can be substituted into a universal medium of exchange such as money (Smith, 2013). Therefore, offering more money to rational people for any given interaction will increase the likelihood of this interaction occurring (Benkler, 2006). However, this simplistic economic rationale fails to account for reasons why people invest their time and effort for free when operating within the digital networked environment (Benkler, 2006).

The human motivations involved in the creation of media content, and consumer-generated advertising in particular, are better addressed by looking at the universal psychological model of human motivation suggested by Deci and Ryan (1985). According to them, extrinsic motivations are imposed on individuals from the outside and represent “a construct that pertains whenever an activity is done in order to attain some separable outcome” (Ryan & Deci, 2000, p. 60). Meanwhile, intrinsic motivations are reasons for action that originate from within the person, and are defined as “doing of an activity for its inherent satisfactions rather than for some separable consequence” (Ryan & Deci, 2000, p. 56).

Motivation is particularly important for any creative task (Amabile, 1983; Teresa M. Amabile & Pillemer, 2012; Hennessey & Amabile, 2010). It is well established that intrinsic motivation, understood as “the drive to do something for the sheer enjoyment, interest, and personal challenge of the task itself rather than for some external goal”, enhances creativity, whereas extrinsic motivation is usually detrimental for the creative outcome (Hennessey & Amabile, 2010, p. 581).

Consistent with the research on creativity (Amabile, 1983; Amabile & Pillemer, 2012; Hennessey & Amabile, 2010), Berthon et al. (2008) identified that intrinsic enjoyment is one of three main motivations for creating consumer-generated advertising. Intrinsically motivated individuals are usually “tech savvy and artistically inclined”; they create “for the sake of

creation” and experience “playful enjoyment” out of this process (Berthon et al., 2008, p. 10). In the current study, respondents believe that consumer-generated advertising becomes more credible when it is produced by people who “believe in a product” and even have “affection” for it. Therefore, in participant’s view, when the passion of CGA-creators towards the brand is evident, it can substantially increase their trustworthiness:

*“If I know that someone has done it because of how much they like the product, even if this ad is not very good, it makes it persuasive. It may persuade me at least to try this product” (R1.3)*

*“If they [CGAs] are immature and consumers are doing it not for a reward, but because of their own affection for the product, then I would be interested in what they are saying” (R1.3)*

*“Years ago, there were hard core ads, people were buying them, but nowadays people are getting more critical and consumers are actually thinking about motives behind these ads” (R2.4)*

*“[There should be] something showing [the] intrinsic motive behind the consumer making an ad, other than just monetary influence. If they make it for a reason... it feels [like] a good motive” (R1.5)*

*“Not just making it [CGA] for the hope of winning a million dollars” (R1.8)*

The second type of CGA-creators, according to Berthon et al. (2008), is driven by motives of self-promotion. These consumers create ads with the goal of attracting the attention of a potential employer such as an advertising agency or a client (Berthon et al., 2008). This is consistent with a work on user-generated content conducted by Daugherty et al. (2008), who identified a more general social motive. Their data suggest that many consumers create content because they wish to impress important others (Daugherty, Eastin, & Bright, 2008). The focus group of ad creators also revealed that participants wish to be professionally involved in the advertising industry.

The goal of the third type of CGA-creators, according to Berthon et al. (2008), is to change the perceptions of others. These individuals create ads because they intend to achieve a specific effect on their target audience (Berthon et al., 2008). In the current study,

participants who submitted their ad for a competition also indicated they were willing to change perceptions of others on sport education in University of Canterbury. The ads were intended to do so by providing another, more realistic perspective on the sport degree compared to the official advertising message of the University.

Berthon et al. (2008), however, did not include in their classification the extrinsic monetary motivations of ad creators. Companies are constantly offering rewards to the finalists of ad contests, so the monetary interest of ad creators should be certainly recognised and included in the existing typology.

Information about the relative relationship of money and psycho-social rewards in relation to consumer-generated advertising is limited. Economic studies have found considerable evidence across many different settings that, under certain circumstances, offering money for an activity previously undertaken without price compensation reduces rather than increases levels of participation (Benkler, 2006).

Each individual's psychological makeup determines whether consumers-creators are rewards-oriented or intrinsic-oriented types. Fuller (2010), for instance, found the probability of monetary interest motivating co-creation activities is determined by the personal characteristics of the consumer. She identified that reward-oriented consumers-creators are likely to be highly skilled, late adopters of new products, problem-solvers and have moderate interest in virtual new product development. Meanwhile, she found that intrinsic-motivated consumers-creators are likely to adopt new products early, exhibit high exploratory behaviour, seek novelty, and be highly innovative and highly interested in new product development (Füller, 2010).

Because people tend to underestimate the trustworthiness of other people (Fetchenhauer & Dunning, 2010), attributing motivations of CGA-creators to monetary interests may be more common than attributing to intrinsic motives. Respondents from the viewer's focus group strongly believe that CGAs appear to be unreliable because their fellow consumers-creators might be driven by purely economic motivations, i.e. simply trying to "win a prize". Due to the fact that companies offer significant financial rewards to their contestants, the participants envisioned CGA-creators as people "hired" or "employed" by a company. The primary way to express this idea was with a simple statement: "it's called outsourcing" (R1.7). Consequently, CGA-creators, not unlike companies, just try to sell a product:

*"If it is a competition or if a company will reward you in some way [for creating an ad], that person will be nothing more than if the company hired somebody to do it. These people are being paid to make me like this product. I dislike it by default" (R1.3)*

*“If I know that people are being paid to do these ads, [to] get a reward, then I’m not going to trust their ad” (R1.8)*

Valuable insights on additional extrinsic motivations can also be derived from research on consumers-innovators. Consumers-innovators often do not sell or licence their innovations, but voluntarily reveal the details of their innovations to manufacturers or find other uses (Harhoff, Henkel, & von Hippel, 2003). As researchers note, such free and intentional ‘information spillovers’ are surprising because in a classical view, the knowledge underlying innovations is usually kept secret and the innovator seeks to secure it with patents or other intellectual property protection in order to obtain future financial returns (Harhoff et al., 2003). Harhoff et al. (2003) concluded that innovators expect to benefit somehow from freely revealing their innovations, for example, to use the manufacturer’s expertise to further improve their products. This might be also applied to CGA-creators, in that occasionally companies offer the finalist consumer-creator an opportunity to create one more advertisement using professional equipment and a team from an advertising agency (e.g. Pepsi Max). Thus, ad creators may be moved by motivations beyond those outlined by Berthon et al. (2008).

Another CGA-creator’s motivation that is omitted from Berthon et al.’s (2008) classification is the willingness to engage with a particular brand. Brand engagement is defined as “the level of an individual consumer’s motivational, brand-related and context-dependent state of mind characterised by specific levels of cognitive, emotional and behavioural activity in direct brand interactions” (Hollebeek, 2010, p. 790). Because involvement is one of the antecedents to consumer brand engagement (Hollebeek, 2010), an individual’s level of interest and personal relevance to a brand, in terms of one’s values and self-concept (Zaichkowsky, 1985, 1986), can be seen as another motive of CGA-creators.

As suggested by Ryan and Connell (1989), formation of different motivations – starting from “amotivation” to various types of extrinsic motivations and reaching its peak point at intrinsic motivation – lies along a continuum of relative autonomy. More autonomous and extrinsic motivation is associated with greater engagement, less dropping out, higher quality learning, and greater psychological well-being (Ryan & Deci, 2000). Meanwhile, the highest levels of autonomy lead to intrinsic motivations, which result in adaptive advantages and greater behavioural effectiveness, including lessened conflict and greater access to personal resources, and higher experienced well-being (Ryan & Deci, 2000).

The increase of consumers’ individual autonomy brought about by the networked society may create a greater shift from extrinsically motivated to more intrinsically motivated consumers-creators. Nevertheless, the variety of motivations identified by researchers indicates that most CGA-creators are driven by a combination of motives. “While it is possible to posit idealized avaricious money-grabbers, altruistic saints, or social climbers, the reality of

most people is a composite of these all, and one that is not like any of them” (Benkler, 2006, p. 98). In this study, respondents also acknowledged that they had both economic and intrinsic motivations:

*“Five hundred dollars helped. But if we did not like our [product], we would not have done it [the ad]” (R2.5)*

*“There was some intrinsic motivation there. We have been doing it because we love to create movies as well as the fact that there was an incentive there and the fact that we are competitive. There are a lot of different motivations” (R2.2)*

Therefore, findings suggest that a viewer can attribute consumer-generated advertising to either intrinsic, extrinsic or a combination of motivations determined by the source. In the first case, the intrinsic motivation of a CGA-creator can be accounted for by the affectionate expression of the communicator’s passion for the brand (Albert, Merunka, & Valette-Florence, 2013) or brand love (Batra, Ahuvia, & Bagozzi, 2012). Such a passionate communicator is perceived as being disinterested in the outcomes of his brand messages and, therefore, trustworthy. However, in different situation, when a CGA-creator’s activities are accounted for by the communicator’s financial interests, such a source is perceived to be untrustworthy and biased, as this individual may be deliberately reporting inaccurate product information to get a reward.

The principle of choosing between two different causal explanations reflects the theoretical principles of attribution analysis, which were developed by Kelley (1967, 1972) to explain how individuals evaluate the validity of a persuasive message. Kelley (1967) states that causes may be assigned to a person or to the environment. According to him, “external attribution (problem difficulty; norms and values reflecting objective, invariant standards; external responsibility) is made when evidence exists as to distinctiveness, consistency, and consensus of the appropriate effects” (Kelley, 1967, p. 196).

The theory of attributions highlights that most of the time the communicator is perceived as acting in his own interests; that is, the position he or she is expressing is commonly attributed to personal factors instead of the external reality (Kelley, 1972). As supported by empirical data, attribution of the communicator’s position to a personal or situational cause leads recipients to believe that the communicator is biased (Eagly, Chaiken, & Wood, 1981). For example, the experiment by Wood and Eagly (1981) indicates that the subject’s belief that the communicator’s stated position was influenced by his background resulted in the perception of him as biased. However, the belief that the expressed position

was influenced by the factual evidence led to the perception of him as a credible communicator (Wood & Eagly, 1981).

Situational and dispositional causality were also examined in the experiments involving the concept of salience. Here, the critical factor is attention, which is directed to the most salient object. Thus, causality is attributed to dispositions when attention is focused upon an actor, and to situational factors when the situation is salient (Arkin & Duval, 1975; McArthur, 1972; Regan & Totten, 1975). McArthur (1972) suggests that individuals have to consider the salience of both the actor's background and the causal actor's behaviour. Therefore, when attention is focused on the environment, perceivers are more likely to make situational causal interpretations; however, when attention is directed towards the causal agent, individuals are likely to make dispositional causal interpretations (McArthur, 1972). Thus, a CGA-creator is more likely to be perceived untrustworthy when the viewer's attention is directed to the competition.

Present findings extend the research of Lawrence et al. (2013) and Steyn et al. (2010, 2011), who investigated whether the motivations of CGA-creators moderate the effects of consumer-generated advertising. Empirical evidence in relation to the negative effects of ad creators' monetary motivations has been controversial in past studies (Lawrence et al., 2013; Steyn et al., 2011; Steyn et al., 2010). However, focus groups in present research confirmed the presence of a large range of extrinsic and intrinsic motivations, and showed their potential influence on the effectiveness of consumer-generated advertising.

#### **4.3.7 Scepticism towards CGA**

Consumer-generated advertising has been emerging in a period of growing consumer scepticism. Disillusionment with companies' persuasive attempts has entailed a considerable distrust of messages contained in advertisements. "Because virtually all citizens seem to recognize this tendency of ad language to distort, advertising seems to turn us into a community of cynics, and we doubt advertisers, the media and authority in all its forms" (Pollay, 1986, p. 29). More than 70 per cent of consumers think that advertising is often untruthful (Calfee & Ringold, 1994), which shows how pervasive and central cynicism is in our contemporary society (Odou & de Pechpeyrou, 2011).

Consumer cynicism is often viewed as a defensive psychological mechanism against persuasion attempts that involves constant suspicion towards the intentions of brands and retailers (Odou & de Pechpeyrou, 2011). It is used to resist marketing activities and is related to various forms of anti-consumption behaviour (Odou & de Pechpeyrou, 2011). Extreme cynicism is probably best represented by activists within consumer resistance movements who



frequently view the largest, most visible corporations as their adversaries (Kozinets & Handelman, 2004). Those activists are conceptualised “as a type of modern day Puritan who seeks changes in consumption culture through seeking to reform the wrongs of the unenlightened consumers. While admonishing mainstream consumers as driven by weak-minded and unconscious urges, activists see themselves very much as Puritans did, as high-minded and noble citizens of society who knew right from wrong and who were morally and spiritually obliged to enlighten and convert others” (Kozinets & Handelman, 2004, p. 702).

While a number of consumers are actively engaged in anti-advertising behaviour, the vast majority of post-modern consumers remain passive yet highly sceptical towards advertising. The concept of consumer scepticism is, similarly, rooted in the idea that individuals commonly find advertisers to be biased, and is defined as “the tendency of disbelief of advertising claims” (Obermiller & Spangenberg, 1998, p. 160). It is a learnt predisposition that develops over an individual’s life-time (Boush, Friestad, & Rose, 1994). This remarkably stable and enduring set of beliefs (Calfee & Ringold, 1994) can be generalised for all commercial advertising and reflects the consumer’s implicit theory of how the marketplace works (Obermiller & Spangenberg, 1998).

The mechanism of how consumer scepticism operates is well explained in the theory of persuasion knowledge developed by Friestad and Wright (1994). According to this research, consumers learn about advertisers’ motives and tactics through socialisation and from their own purchase experience (Friestad & Wright, 1995, 1999), and use their “folk” intuitive theories to identify “how, when, and why marketers try to influence them” (Friestad & Wright, 1994, p. 1). Based on the gained persuasion knowledge, consumers interpret, evaluate, and respond to attempts to influence from marketers and sales representatives (Friestad & Wright, 1994). This socially constructed set of beliefs towards advertising resides deeply in the memory, and can be accessed to generate the situation-relevant perceptions of an advertising message (Friestad & Wright, 1999). From this perspective, persuasive knowledge represents an important interpretive belief system that “tells people about situations where an intelligent purposeful outside agent is skillfully trying to alter their inner self (their beliefs, their emotions, their attitudes, their decisions, their thought processes) and thereby alter the course of their lives” (Friestad & Wright, 1999, p. 186).

When consumer-generated advertising emerged, it was used by advertisers as a more sophisticated persuasion tactic that attempted to “break through the advertising clutter” (Goldman & Papson, 1994, p. 35). Yet when CGA is decoded as a marketing tactic by consumers, particularly those that rate highly on the sceptical continuum, it may “in return fuel viewers cynicism” (Odou & de Pechpeyrou, 2011). Meanwhile, marketing practitioners believe that consumer-generated advertising may perform better than traditional advertising because it simply reduces the level of consumer scepticism.

Indeed, a high level of scepticism towards consumer-generated advertising was revealed during focus group sessions. First of all, participants appeared to be concerned that there might be “fake” CGAs strategically produced by advertising agencies for their clients. The respondents consider the possibility that any consumer-generated ad may be a well-disguised marketing tool in a firm’s arsenal. “People might be subconsciously feeling that they are being exploited” by advertisers who are “greedy” and do “research on what makes people pay the most money” (R2.1).

*“I was interested to find out that Picnic was [a CGA], because I just assumed that someone has decided to fake it and to pretend that we have people from the street. That’s what you assume they do for reality TV. It’s real, but it is not really” (R1.8)*

*“It’s been done by professionals who sit down and think ‘All right, how can I manipulate them?’” (R1.3)*

Furthermore, respondents suspect that CGAs may be showing “fake” product users who in reality do not use the products they promote, and nonetheless act like happy consumers:

*“They are trying to show someone who is using a product, a housewife. She is not actually [a housewife], but they [are] trying [to] make her look like [she is]” (R1.8)*

Respondents expressed their concern that firms attempted to run consumer advertising competitions and use the resulting CGAs to camouflage a lack of credibility, hoping that the ‘consumer-generated’ label would not be scrutinised by sceptical consumers. According to the participants, consumer-generated advertising may be perceived as a manipulative marketing tool used by corporations. When manipulative intent is noticeable, consumers become more suspicious of the advertiser’s tactics (Kirmani & Zhu, 2007; Wentzel, Tomczak, & Herrmann, 2010). The attention-grabbing advertising tactics elicit consumer inferences of manipulative intent (Campbell, 1995), and can activate their persuasion knowledge (Friestad & Wright, 1994, 1995, 1999; Wentzel et al., 2010). This is likely to lead to discounting the communicator’s arguments and resisting persuasion if cognitive resources are available (Campbell & Amna Kirmani, 2000; Wentzel et al., 2010). Additionally, this is likely to produce negative attitudes towards the sponsor of the advertisement and the ad itself (Cotte, Coulter, & Moore, 2005).

It has been well documented that scepticism often determines the consumer's response to advertising (Obermiller & Spangenberg, 1998, 2000). Sceptical consumers often generate more counter-arguments to advertising, preventing themselves from further processing information and decreasing the credibility of the source (Friestad & Wright, 1994). Empirical studies show that the more sceptical consumers like advertising less, pay less attention, rely on it less, and respond more positively to emotional appeals than to informational appeals (Obermiller, Spangenberg, & MacLachlan, 2005). Scepticism was also found to be a key determinant of ad avoidance (Baek & Morimoto, 2012). Consumer sources where the bias is moderately obvious may create different interpretations (Kirmani & Zhu, 2007), and therefore to a various degree influence a level of consumer scepticism.

The perception of CGAs as manipulative is entrenched in the idea that co-creation, or 'prosumption' is a form of consumer exploitation (Comor, 2011; Cova et al., 2011; Ritzer et al., 2012; Ritzer & Jurgenson, 2010; Zwick, Bonsu, & Darmody, 2008). Some researchers argue that "the true meaning of co-creation" lies not in active participation of consumers, but rather in "administering consumption in ways that allow for the continuous emergence and exploitation of creative and valuable forms of consumer labour" (Zwick et al., 2008, p. 163). Co-creation is seen as a "sophisticated technology" of managing or manipulating consumers, "where the surplus value generated is based on the appropriation of the creative work of often networked and socially cooperative customers" (Zwick et al., 2008, p. 182).

Apart from scepticism towards corporate advertisers, focus groups also revealed scepticism towards other consumers: *"You can get something very one-sided, it underrates the world"* (R1.1).

One problem that may contribute to scepticism towards consumers-creators and consumer-generated advertising is information overload. It originates from the idea that everyone is equally able to produce ads and points at the lack of editorial function (Benkler, 2006). The growing concern is related to the fact that the "never-ending" stream of user-generated content is "unfiltered", which calls into question the accuracy and reliability of the information obtained from the Internet (Keen, 2007, p. 64). Most participants believed that some CGA-creators may be biased, and therefore it is necessary to avoid the media content they produce. As discussed by Keen (2007), "in a flattened, editor-free world where independent videographers, podcasters, and bloggers can post their amateurish creations at will, and no one is being paid to check their credentials or evaluate their material, media is vulnerable to untrustworthy content of every stripe" (p. 19).

This digital democracy allows anyone to communicate their ideas, and although the communicator and the message receiver are both consumers, they might hold dramatically different values. The fundamental preference heterogeneity among the consumers, therefore,

also contributes to scepticism towards CGA. “The problem is that [the] viral, editor-free nature of YouTube allows anyone – from neo-Nazis, to propagandists, to campaign staffers – to anonymously post deceptive, misleading, manipulative, or out-of-context videos” (Keen, 2007, p. 67). The audience understands that communicated thoughts can be highly subjective and that even when individuals are sincere in their persuasive attempts, people still harbour knowledge bias. “Today’s media is shattering the world into a billion personalized truths, each seemingly equally valid and worthwhile” (Keen, 2007, p. 17). However, if viewers believe that CGAs are biased, they prefer to “stay away from them”:

*“You can get an attempt of somebody who just hates a product. A stranger... Some weirdo, you know, who just hates the company. Some people hate Microsoft, ... they just absolutely hate it, regardless of the product they produce. It’s so biased” (R1.3)*

*“We don’t biasedly [sic] promote just one positive aspect” (R2.2)*

Overall, these findings challenge some of the results offered by Lawrence et al. (2013), who concluded that consumer-generated advertising is generally more trustworthy than company advertising. In contrast, the present study indicates that the audience may hold sceptical views towards CGA. This occurs firstly because CGA may be perceived as a manipulative attempt to increase sales, and secondly, because CGA-creators may be also perceived as biased. Therefore, “fake” CGAs can be characterised as reporting bias, defined as “the perceiver’s belief that a communicator’s willingness to convey inaccurate versions of issue-relevant information is compromised” (Eagly & Chaiken, 1993, p. 357). However, one-sided views of ad creators can be conceptualised as knowledge bias, which refers to “the perceiver’s belief that a communicator’s knowledge of issue-relevant information is nonveridical” (Eagly & Chaiken, 1993, p. 357).

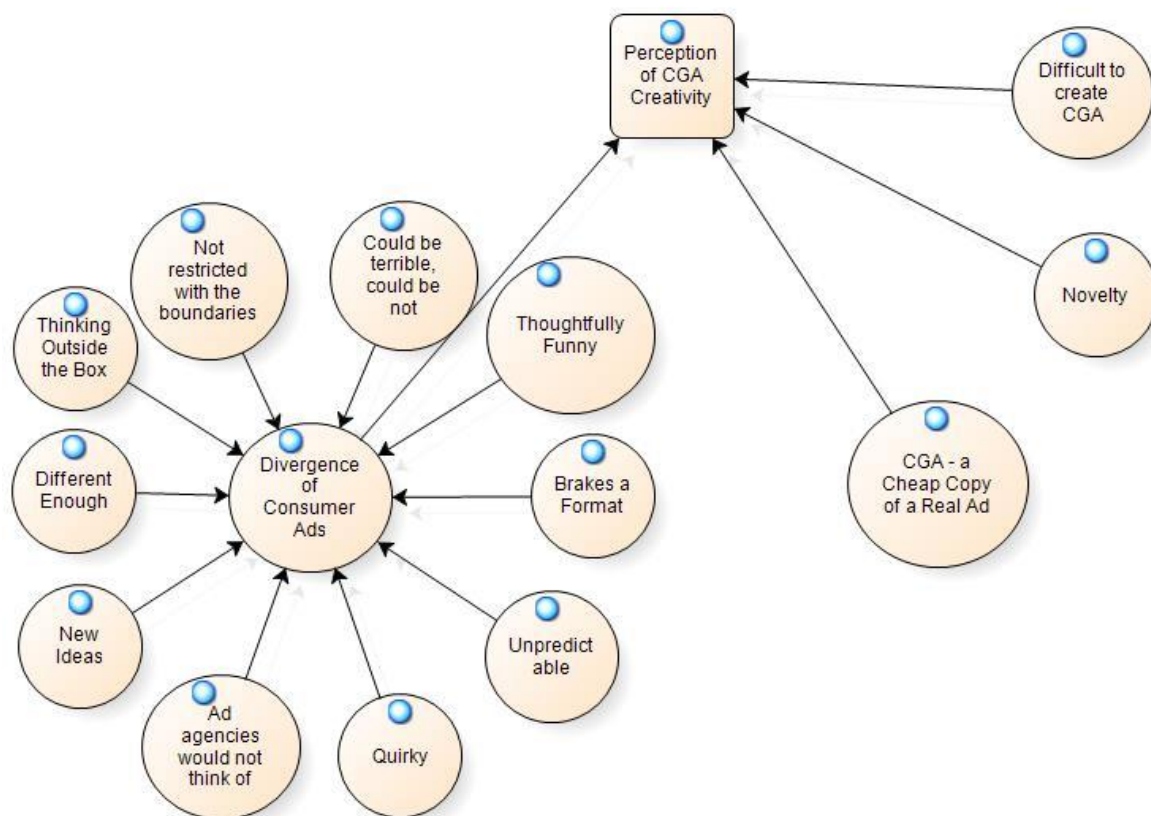
The current results also extend the study by Ertimur and Gilly (2012), who observed that unsolicited, naturally occurring CGA is often perceived as not credible, whereas CGAs submitted to advertising competitions are viewed by the audience as credible. The present study, however, suggests that the ad creators’ perceived expertise, motivations and scepticism could be major antecedents to CGAs’ credibility.

### 4.3.8 Consumer Creativity

Creativity is essential for producing any innovative ideas (Faullant, Schwarz, Kraiger, & Breiteneker, 2012), and it is central for consumer-generated advertising. It is well documented that the capability to develop new solutions to problems is determined by individual creativity (e.g. Feldhusen & Goh, 1995; Hennessey & Amabile, 2010). An individual's goals and demands that extend beyond his or her skills can motivate people to develop creative thinking and behaviours (Feldhusen & Goh, 1995). Such creative or adaptive responses include the ability to think critically, to identify problems or sense the need to act, to see the gap between perceptions and facts, and to see opportunities to create novel ideas (Feldhusen & Goh, 1995, p. 231).

The growing body of research on creativity in psychology indicates a far more detailed understanding of the creative processes, its antecedents and inhibitors (Hennessey & Amabile, 2010). Although highly debatable and hard to define (Hennessey & Amabile, 2010), creative thinking can be seen as a “complex cognitive activity” that includes “decision making, critical thinking, and metacognition” (Feldhusen & Goh, 1995, p. 231). A large body of research indicates that cognitive abilities, domain-relevant skills (expertise, technical skills), creativity-relevant skills (flexible cognitive style, skill in using creative-thinking heuristics),

**Figure 4-4: NVivo Model: Perception of CGA Creativity**



personality characteristics (e.g. openness for experience, extraversion), and social environment contribute to the creative process and its different stages (Amabile, 1983; Amabile & Pillemer, 2012; Ruscio, Whitney, & Amabile, 1998). Among other predictors of creativity are time constraints, situational involvement, locus of control and metaphoric thinking ability (Burroughs & Mick, 2004). Recent studies seek to better understand the “consumer’s creative talent” and explore how various components of creativity affect the consumers’ idea generation (Füller, Matzler, Hutter, & Hautz, 2012, p. 247).

“The digital revolution” unleashed consumers’ creativity. Consumers were even believed to compete with advertising agencies and were collectively named as Ad Agency of the Year in 2007 (Creamer, 2007). Respondents conceptualise consumer creativity as something “quirky”, “unpredictable”, “breaking the format” and “thoughtfully funny”. Participants believe that consumers have the potential to be more creative than advertising agencies because of the freedom that professionals lack. Since consumers do not have any obligations to any companies, they can do “whatever they like” within the space of their advertisements. Being “not restricted within the boundaries”, consumers “think outside the box”, produce “different enough” ideas, which professional advertising “agencies would not think of”. However, consumers’ creative insights are “unpredictable”, and may explain why occasionally CGAs turn out to be just “terrible”:

*“They [consumers] are unpredictable. In traditional [ads] you kind of follow the narrative. It’s predictable, almost boring. But in these ones it could be anything, could be actually terrible, could be not” (R1.1)*

*“It seems that they [consumers] are slightly less restricted by the boundaries that may have the company developing a regular ad. Consumer-generated [ads] are more free range and show how that person sees...” (R1.5)*

*“I think consumers, when they generated ads, they tend to think more outside the box, more creative, come up with more genius solutions for advertising products. Rather than stick to [the] standard format. These [CGAs] sometimes are really good. Really clever ads from consumers” (R1.7)*

Therefore, creative consumer-generated advertising can be characterised as novel and useful (Amabile, 1983; Sheinin, Varki, & Ashley, 2011) or divergent and relevant (Smith & Yang, 2004). It reflects “the extent to which an advertisement diverges from expectations while remaining useful to the task at hand” (Smith & Yang, 2004, p. 31). Here, divergence refers to

“the extent to which an ad contains elements that are novel, different, or unusual (Smith & Yang, 2004), and could be achieved through originality, flexibility, elaboration, synthesis and artistic value (Smith, MacKenzie, Yang, Buchholz, & Darley, 2007). Meanwhile, relevance refers to “the extent to which ad elements are meaningful, useful, or valuable to the consumer” (Smith & Yang, 2004) and can be achieved by demonstrating Ad-to-consumer relevance and Brand-to-consumer relevance (Smith et al., 2007).

Experimental results confirm that ordinary users create significantly more original and valuable ideas than advanced product users or professional developers; this implies that ordinary consumers think in a more divergent way (Kristensson, Gustafsson, & Archer, 2004). Meanwhile, ideas generated by more advanced consumers and professionals were found to be more realisable (Kristensson et al., 2004).

In addition, an individual's creativity can be significantly influenced by new technologies. One of the creativity components – domain-specific knowledge that comprises an individual's technical skills – has a major impact on consumer creativity. As the focus groups show, the greater a consumer's technical skills, the greater the consumer's interest to engage in co-creation projects (Füller et al., 2012).

*“I like to play around with computer stuff. Do editing. Or just play around with my iPod and put an ad in it. But you need some ideas. And then you need to have some interest in [the] product itself” (R1.4)*

Indeed, the best examples of consumer-generated ads are not interchangeable with the work of advertising agencies, but rather provide new and different perspectives on brands. However, quite often CGA-creators try to imitate professional advertising, and this way is almost always unsuccessful. Those consumer-generated imitations are not spoofs; they are a straightforward attempt to create a traditional TV-type ad. However, such CGAs, especially amateur ones, are perceived as a “cheap copy of real ads” and these “copies” are far from creative (see Figure 4-4). However, focus groups revealed that the greater the resemblance of a CGA to one of the real commercials seen on TV, the less creative it seems and the greater negative attitudes it might produce in the audience:

*“Who does that song? I can't remember who it is. It meant to be some rap which is great, but somehow it is just a copy. It's been trying to copy a real ad too much, but failed” (R1.8)*

*“I really don’t like when people try to copy a real ad. Some of them [CGAs] felt more like a conventional ad: it is just a cheap version. Then why should I watch it?” (R1.8)*

*“I would like to see something quirky or different. That one was different enough, so that I enjoyed it even when it was cheap. And then, meanwhile, that ad about the drink-maker was so cheap... And they showed a party... Who cares? It’s a bit boring” (R1.8)*

*“But there is a whole lot of consumer-generated stuff. Some of them can be more outrageous, using annoying stuff. But you do remember them quite well. It’s completely consumer-generated: no incentive, nothing” (R1.8)*

This contradicts the findings of Ertimur and Gilly (2012), who found that the more positive evaluations are elicited by contest CGAs that closely resemble a typical TV advertisement. Present studies suggest instead that effective CGA should be divergent, while mimicry of typical TV-ads are unlikely to be successful.

Overall, consumer-generated ads vary significantly in their level of creativity. Findings can be interpreted in terms of divergence and incongruity. Incongruity represents an important factor for consumer creativity. Using the classical view, incongruity in advertising is “a mismatch between a stimulus element (e.g. product, brand, endorser, music, or any executional element in an ad) and the existing schema that one holds about the advertising stimulus” (Lee & Schumann, 2004, pp. 59-60). For professional creators of company ads, incongruity means designing something different from the expectations of how a certain product category is usually advertised (Lee & Schumann, 2004). For consumers-creators, incongruity has an additional aspect: designing something different from the expectations of how a certain brand is currently advertised. Therefore, incongruent CGAs comprise a specific category in which “the surface message is dissonant with that of the official firm brand message, yet the underlying text is generally positive towards the brand” (Berthon et al., 2008, p. 15).

However, previous research on consumer-generated advertising has focused not on its creative aspects, but rather on its authenticity (Ertimur & Gilly, 2012; Lawrence et al., 2013), meaning “genuine, real, and/or true” (Beverland & Farrelly, 2010, p. 838). Researchers have explained that the desire to seek authenticity is fundamental, because individuals prefer consumption experiences and brands that reinforce their desired identity and enable self-authentication (Beverland & Farrelly, 2010; Napoli, Dickinson, Beverland, & Farrelly, 2014).



This trend is especially visible in the global market where the traditional sources of self-identity have been lost (Beverland & Farrelly, 2010). Thus, Lawrence et al. (2013) argue that consumer-generated ads appear more authentic than company ads. However, Ertimur and Gilly (2012) identify that only unsolicited CGAs, and not contest CGAs, are perceived to be authentic. As current research suggests, divergent, authentic and incongruent CGAs are more likely to produce positive effects.

## 4.4 DISCUSSION OF QUALITATIVE FINDINGS

The current study investigated factors influencing the effectiveness of consumer-generated advertising. It extends previous research exploring the CGA phenomenon (Ertimur & Gilly, 2012; Lawrence et al., 2010; Lawrence et al., 2013; Thompson & Malaviya, 2013). Seven determinants of CGA effectiveness were identified: (1) recognition of consumer-generated advertising, (2) advertising quality, (3) product involvement, (4) perceived expertise of ad creators, (5) motivations of ad creators, (6) scepticism towards CGA, and (7) consumer's creativity. These multiple factors reveal a high level of complexity associated with CGA's influence on large audiences, and explain the diversity in outcomes that consumer-generated advertising can produce.

Traditional advertising relies upon the quality of production as a major antecedent of attitudes towards the ad (MacKenzie & Lutz, 1989; MacKenzie et al., 1986). This is contrasted with consumer-generated advertising, where advertising quality features two important aspects. Ad quality not only reflects its production level, but also represents a salient cue for the audience to detect the advertising source, company or consumer, if no other source identification information has been provided.

Therefore, in CGA, the consumer source is a two-component element that comprises source awareness and source salience. Some consumer-generated ads have a professional look and are hard to identify because their source awareness is not existent, combined with a low source salience. Hence, those CGAs will be perceived similarly as company TV-ads. The remaining CGAs, however, can be recognised either through source awareness, or source salience, or a combination of both. Research on causal attributions, salience and memory retrieval (Anderson & Bower, 1974; Johnson et al., 1993; Pham & Johar, 1997; Taylor et al., 1979; Taylor & Fiske, 1975, 1978) explains how individuals make inferences about the consumer origin of advertisements based on salient cues (see Section 2.7 for further discussion).

In traditional advertising, a higher professional advertising quality is always expected to produce higher performance. However, in consumer-generated advertising, this relationship is not necessarily valid. Findings revealed a conflict between CGA-creators and CGA-viewers in relation to quality issues. Consumers-creators believe that amateur CGAs are capable of establishing a better personal relationship with their brand; they are more credible, more genuine, and easier to relate to and enhance source-receiver similarities. However, viewers appeared concerned with the low quality of CGA, amateur acting, immature content, poor humour and extended length of the ads. Viewers place high expectations on the quality of consumer-generated ads as they demand higher entertainment value from CGAs. Thus, CGA-

creators face the complicated task of how to achieve a balance between providing more professional quality of ads while at the same time ensuring that the consumer origin of the ad can be easily recognised.

Another critical determinant of consumer-generated advertising might be product involvement. It is associated with the concepts of self-relevance (Celsi & Olson, 1988; Zaichkowsky, 1985, 1986), enduring involvement (Andrews et al., 1990; Richins et al., 1992), ego-involvement (Sherif & Cantril, 1947) and matching the brand with self-identity (Laurent & Kapferer, 1985; Warrington & Shim, 2000). Findings revealed that consumer-generated advertising is best suited to low involvement goods. Accordingly, products promoted through CGA should not represent important personal meaning, be overly symbolic or be associated with high perceived financial and reputational risks. Lastly they should not have a high hedonic value. The Elaboration Likelihood Model (Petty, 1994; Petty & Cacioppo, 1984; Petty & Cacioppo, 1986a, 1986b; Petty & Wegener, 1999) explains that a low motivational state, created by a low involvement product, results in processing of the consumer source through the peripheral route of persuasion. That scenario increases the probability of a favourable response to CGA.

As suggested by conducted focus groups, credibility of consumer-generated advertising manifests itself as a complex factor comprising three dimensions: the ad creator's expertise, motivations, and scepticism towards CGA. While some of the antecedents, such as consumer expertise and consumer passion, may positively affect CGA credibility, others, such as the financial motivations of ad creators and scepticism towards CGA could produce a negative effect. Therefore, it appears that it is not possible to predict the credibility of consumer-generated advertising from simply categorising the type of advertising source. CGA credibility, instead, appears to involve at least three major antecedents, which together may produce a combined effect on attitudinal responses.

Firstly, the ad creator's expertise could possibly largely influence judgements about the CGA's credibility. In comparison with traditional advertising, CGA expertise reflects not only valid allegations, knowledge and competence (Hovland & Weiss, 1951; McGuire, 1985) derived from the experience of using a product, but consumer's expertise may also originate from the perceived similarity with the ad creator, who evaluates the subject from the same point of view. In addition, the credibility level might also depend on disclosing "insider's information" that often would not be revealed by the company.

Secondly, trustworthiness is another potential determinant of credibility. In consumer-generated advertising, trustworthiness seems to originate from attributing a particular ad to the intrinsic or extrinsic motivations of a consumer-creator. Findings identified a large range of CGA-creators' motivations. These included intrinsic motivations, self-promotion, the change

perceptions of others, monetary motivations, using the company's resources and brand engagement. Intrinsic motivations, such as the consumer's passion of filmmaking or a particular brand, enhance the ad creator's trustworthiness and indicate that he/she is not going to benefit from the communication outcome. Meanwhile, a reward-oriented type of consumer-creator demonstrates a significant loss of trustworthiness. Financially driven communicators were perceived by participants as perceived as acting in their own interests, and in this study, their creative work was perceived simply as "outsourcing".

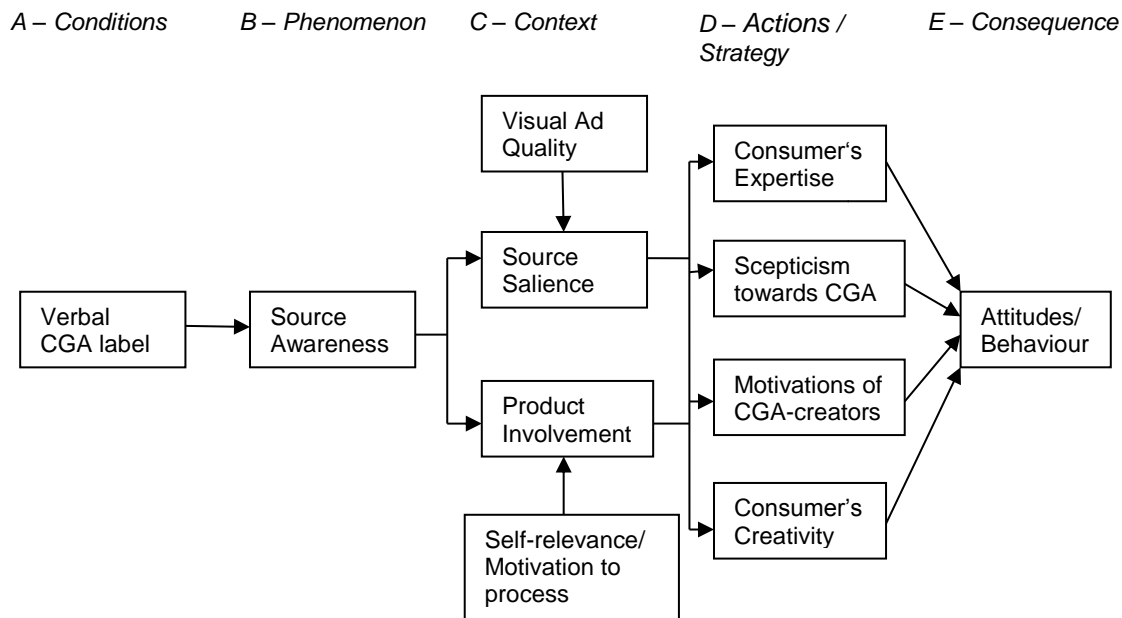
The third factor affecting the credibility of consumer-generated advertising could be consumers' scepticism. From the classical perspective, consumers are suspicious towards the actions of advertisers as a means of resisting their persuasion attempts. However, focus groups revealed that due to the accumulated persuasion knowledge (Friestad & Wright, 1994, 1995, 1999), this psychological coping mechanism is also directed at consumer-generated advertising. Viewers are suspicious of CGA as nothing but a sophisticated manipulative marketing tool, and often consider consumer ads to be "fake". Furthermore, overall scepticism towards CGA reflects a more general trend of doubting the validity of information sourced from the Internet, primarily because the Internet lacks filtering options and the editing function, "freedom – the freedom to speak, but also to be free from manipulation and to be cognizant of many and diverse options" (Benkler, 2006, pp. 168-169).

Finally, the effectiveness of consumer-generated advertising may depend on the consumer's creativity. This can be conceptualised using the concepts of novelty and usefulness (Amabile & Pillemer, 2012; Sheinin et al., 2011), divergence and relevance (Smith & Yang, 2004), incongruity with both expectations (Lee & Schumann, 2004) and the official brand message (Berthon et al., 2008), and authenticity (Beverland & Farrelly, 2010; Ertimur & Gilly, 2012; Lawrence et al., 2013). Findings suggest that the consumer's creativity in CGA could be contrasted with the mimicry or imitation of real TV ads. The latter was found to produce negative effects on attitudes towards consumer-generated advertising. As suggested by Benkler (2006), "what emerges in the networked information environment, therefore, will not be a system for low-quality amateur mimicry of existing commercial products. What will emerge is a space for much more expression, from diverse sources and of diverse qualities" (Benkler, 2006, pp. 168-169).

The qualitative data collected during the exploratory phase provided initial insights on the effects of consumer-generated advertising. During the last step of the analysis – selective coding, the categories identified during the analysis were related to the core concept (Advertising Source Awareness) by means of the paradigm: conditions, context, strategies and consequences (Strauss & Corbin, 1990). The diagram shown in the Figure 8-1 depicts the analytic ordering performed based on the procedure described by Strauss and Corbin (1990). Conditions (a verbal CGA label) leads to Phenomenon (Source Awareness), which, in turn,

leads to Context (Source Salience and Product Involvement), then leads to Action/strategies (CGA-creators' motivations, Scepticism towards CGA, Consumer's Expertise, and Consumer's Creativity), which then finally leads to Consequences (Attitudes and Behaviour).

**Figure 4-5** Initial 'Grounded' Theory of the CGA Effectiveness



This thesis has presented the research problem, literature review, mixed methodology and findings of the exploratory research phase. Based on the qualitative results obtained from the focus groups, a conceptual framework of CGA's effects on consumers' attitudes, memory and behaviour will be suggested. The proposed model and resultant hypotheses will be tested in the subsequent empirical studies.

## **Chapter 5**

### **CONCEPTUAL MODEL**

#### **5.1 INTRODUCTION**

The qualitative exploratory phase identified seven main predictors of CGA effectiveness: recognition of consumer source, ad quality, involvement, advertising credibility, motivations of CGA creators, scepticism and consumer creativity. The second quantitative research phase will focus on testing five predictor-variables: Source Awareness, Source Salience, Product Involvement, Credibility and Creativity. The Salience-Involvement Model of the CGA effects, proposed in this chapter, incorporates these focal antecedents. The current objective is to present theoretical foundations for the conceptual model, and develop and justify corresponding hypotheses. The hypotheses on CGA effects will address three broad areas of advertising responses: ad and brand evaluations, behavioural intentions and memory effects. They will propose to test moderated effects, mediation effects, as well as moderated mediation effects.

#### **5.2 THE SALIENCE-INVOLVEMENT MODEL OF CGA EFFECTS**

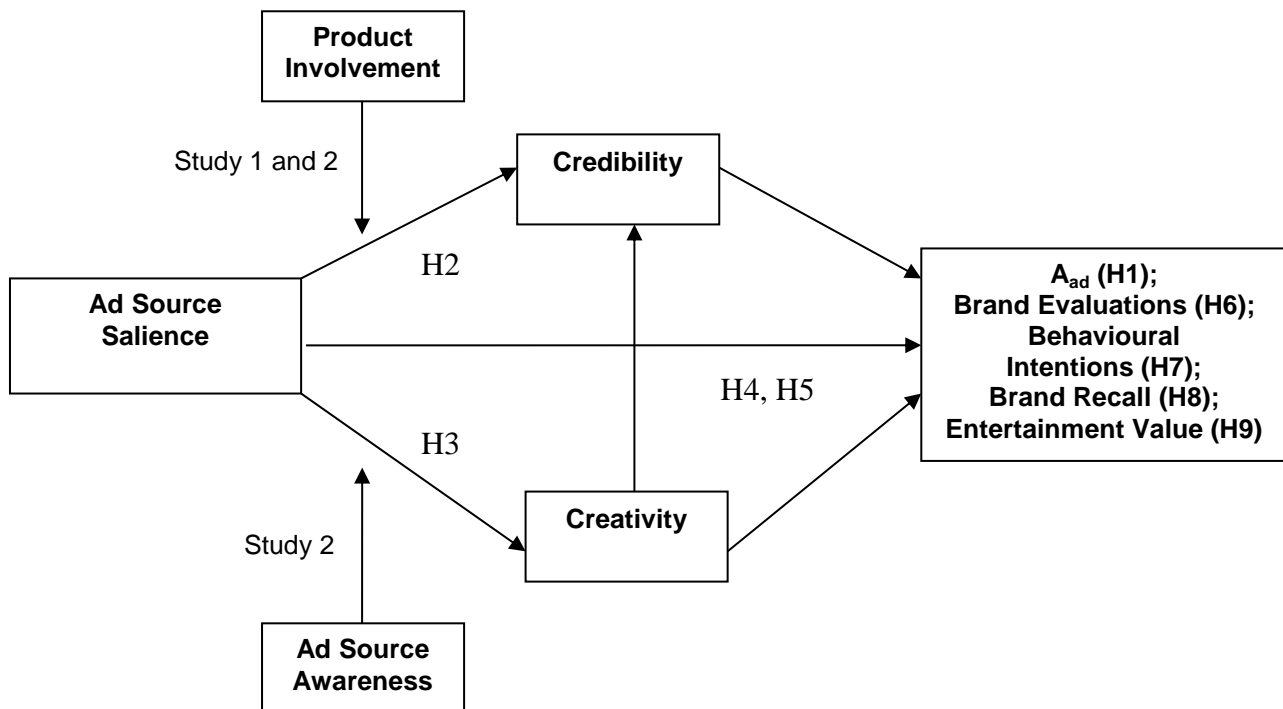
One of the goals of this research is to examine in what conditions consumer-generated advertising will be mostly effective. During the qualitative explorative stage, the potential determinants of the CGA influence were identified. These include recognition of consumer-generated advertising, advertising quality, product involvement, perceived expertise of ad creators, motivations of ad creators, scepticism towards CGA, and consumer's creativity. The resulting rich qualitative framework included all emerging themes. However, to make it suitable for quantitative testing, the model was further focused according to the interest of the current research. As a result, the Salience-Involvement model of CGA effects was suggested.

The proposed Salience-Involvement model of CGA effects is a moderated-mediation model. Source Salience is a focal predictor. For the purpose of this research, it was defined as a set of easily noticeable cues that provide recipients with a spontaneous awareness of the ad's consumer source. These cues may take form of poor acting, low production quality and immature content based on which individuals are likely to attribute an ad to a fellow consumer,

even if the consumer source was not disclosed in a verbal form. The proposed model has two moderators: Product Involvement and Ad Source Awareness. The latter was defined as revealing information that is overly stated in the ads, often in a form of a subtitle or a label, and other signals to the audience that the particular advertisement was created by a consumer. Meanwhile, Product Involvement moderates the outcome depending on the level of personal relevance. The model also incorporates two mediators: Credibility and Creativity. The quantitative model specifies the overall Credibility variable instead of three different Credibility-related constructs identified during the exploratory stage: consumer expertise, motivations of CGA-creators and scepticism towards CGA.

Theoretically, the suggested model is based on three fundamental areas of knowledge: the theory of social comparisons (Festinger, 1954), research on salience, including areas of attention and causal attributions (Taylor & Fiske, 1978), and the Elaboration Likelihood Model (Petty & Cacioppo, 1986a) (for the review and discussion of these theories see Chapter 2).

**Figure 5-1: The Salience-Involvement Model of CGA Effects**



The conceptual model, shown in Figure 5-1, suggests that the effectiveness of consumer-generated advertising depends on the interaction of three factors: Ad Source Salience (ad quality), Ad Source Awareness (disclosure of the consumer source) and Product Involvement (motivation to elaborate a message).

Both Source Salience and Source Awareness can be considered cues of consumer ads, indicating its source. Hence, they are likely to have an impact in low involvement conditions as specified by the ELM. Thus, under low involvement, both CGA cues (Source Salience and Source Awareness) are expected to be processed through the peripheral route and either lead to acceptance of the ad creator's position (if the consumer source is perceived as positive), or lead to its rejection (if the consumer source is perceived as negative) (Petty & Cacioppo, 1986a). Conversely, under high involvement, the impact of CGA would be minimal; here, cues either become unimportant because receivers will be thoughtfully elaborating message arguments (Petty & Cacioppo, 1986a), or these arguments may be scrutinised as such because individuals are considering more information (Petty & Wegener, 1999). Empirical studies also confirm that the visual salience cue decreases its effect with an increase of personal relevance. Therefore, salient communicators in low involvement conditions are perceived as more causal, likeable and influential (Borgida & Howard-Pitney (1983) as cited in Petty & Cacioppo, 1986a). Therefore, it is expected that consumer-generated advertising will have a significant impact in low involvement conditions, as opposed to high involvement conditions.

The theory of social comparisons (Festinger, 1954) could be insightful for understanding and predicting what kind of attitudinal change CGA can produce. Importantly, when exposed to consumer-generated advertising, individuals not only process a persuasive message, but also engage in the process of social comparison with the ad creator, which is triggered by the disclosure of the consumer source of the ad. Consequently, the effect of CGA also depends on the perceived similarity with the ad creator (Festinger, 1954; Thompson & Malaviya, 2013).

Here, for envisioning the result of comparison processes, the motivation of ad viewers is the key factor. Both the ELM and the theory of social comparisons emphasise the importance of motivations in message elaboration (Petty & Cacioppo, 1986a) and in performing comparisons with similar others (Taylor & Lobel, 1989; Wood, 1989). The present model uses Product Involvement to manipulate personal relevance and create a motivational state for the respondents, which forces individuals to put more effort into message elaboration (Petty & Cacioppo, 1986a). Importantly, viewers' motivations influence not only information processing, but also the choice of comparison standards (Corcoran et al., 2011; Wood, 1989).

Consumers use brands and their consumption experiences to reinforce their desired identity (Beverland & Farrelly, 2010; Napoli et al., 2014) and to improve and maintain their positive self-image. Therefore, individuals are often driven by self-improvement motives and make upward comparisons with people they perceive to be better than them (Corcoran et al., 2011). In the context of CGA, people are likely to compare not only opinions about the brands



and products with other consumers, but also their abilities in creating ads. As a result of upward comparisons, viewers are expected to feel similar to those CGA creators, who are able to create better quality ads that look more professional. The preference for professional CGA was supported by findings from the focus group, and by the research of Ertimur and Gilly (2012). Therefore, based on Festinger's (1954) propositions, professional CGAs may produce more favourable attitudes and result in assimilation (Mussweiler, 2003); that is, they may produce an opinion change towards the position advocated by their creators.

Following these arguments, all three variables (Source Awareness, Source Salience and Product Involvement) interact and predict the effects of consumer-generated advertising as follows:

H1: When involvement is low, disclosing that an ad is consumer-generated will enhance the Attitude towards the Ad, provided that the ad is professionally produced.

#### *Enhanced Credibility*

Communicators who are similar to the audience are often more persuasive than dissimilar communicators (Berscheid, 1966; Brock, 1965; Hilmert et al., 2006; Mills & Jellison, 1968). Therefore, it is expected that:

H2: When involvement is low and the ad is professionally produced, disclosing that an ad is consumer-generated will enhance its Credibility relative to a control condition in which no information about the ad source is provided.

#### *Enhanced Creativity*

Attributing advertising to a consumer source is expected to enhance perception of creativity for the following reasons. Firstly, consumer-generated advertising may be viewed as novel (Amabile, 1983; Amabile & Pillemer, 2012) or divergent (Smith, Chen, & Yang, 2008; Smith et al., 2007; Smith & Yang, 2004) because it is a relatively new trend and it stands out from company advertising. Secondly, consumer-generated advertising may be perceived as useful (Amabile, 1983; Amabile & Pillemer, 2012) or relevant (Smith et al., 2008; Smith et al., 2007; Smith & Yang, 2004) because it reveals the position of the ad creator as a similar communicator.

The impact of CGA on advertising creativity is expected to be moderated by Product Involvement. According to Sheinin et al. (2011), two major dimensions of creativity operate through different persuasion routes identified in the ELM. It was found that novelty produces its influence through the peripheral route of persuasion and leads to hedonic benefits affecting attitude towards the brand. On the other hand, usefulness produces its influence through the central route of persuasion and leads to rational benefits affecting brand trust (Sheinin et al., 2011). Therefore, it is considered that under low involvement when ad novelty is elaborated through the peripheral route, the impact of consumer source on creativity evaluation will be more positive:

H3: When involvement is low and the ad is professionally produced, disclosing that an ad is consumer-generated will enhance its Creativity relative to a control condition in which no information about the ad source is provided.

#### *Indirect Effects*

The research provides ample evidence that Credibility and Creativity have a significant impact on advertising responses; therefore, both of them are likely to play a mediating role. Credibility is expected to mediate the effects of Source Awareness and Source Salience due to the fact that advertising credibility influences both attitudes towards the ad ( $A_{ad}$ ) and towards the brand ( $A_b$ ) (MacKenzie & Lutz, 1989). Because the divergent component of creativity (or novelty) was found to produce positive effects on brand awareness and brand liking (Smith et al., 2008), as well as influence attitudes towards the brand and brand trust (Sheinin et al., 2011), creativity is also expected to mediate the effects of Source Awareness and Source Salience on ad and brand evaluations. This was also supported by the focus group:

H4: Source Salience and Source Awareness will produce a positive indirect effect on Ad and Brand evaluations through Creativity and Credibility

The following hypothesis also suggests that the indirect effects of Source Awareness and Source Salience might be moderated by Product Involvement as specified by the ELM (Petty & Cacioppo, 1986a):

H5: Product Involvement will moderate the indirect effect of Source Salience and Source Awareness through Creativity and Credibility. Specifically, it is predicted that in low involvement conditions, professional-looking ads attributed to the consumer will produce a more positive indirect effect on  $A_{ad}$  through Creativity and Credibility relative to a control condition in which no information about the ad source is provided.

## *Brand Evaluations*

Dual Mediation hypothesis (DMH) holds that attitudes towards the ad ( $A_{ad}$ ) exerts a direct influence on attitudes towards the brand ( $A_b$ ) and an indirect influence on  $A_b$  through brand cognition (MacKenzie et al., 1986). Therefore, it is expected that enhanced Attitude towards the Ad will be followed by enhanced Attitude towards the Brand.

H6a: When involvement is low, disclosing that an ad is consumer-generated will enhance Attitude towards the Brand, provided that the ad is professionally produced.

The most common indicator of Brand evaluations ( $A_b$ ) was complemented with additional outcome variables estimating Self-Brand Connection and Emotional Response to the Brand. Self-brand connections refer to “the extent to which individuals have incorporated brands into their self-concept” (Escalas & Bettman, 2003, p. 339) and have been a focus of a number of recent marketing studies (e.g. Harmon-Kizer, Kumar, Ortinau, & Stock, 2013; Wei & Yu, 2012). This is an important measure of advertising effectiveness (Mehta, 1999) because individuals consume branded products as goods with symbolic meaning to construct and enhance their self-concepts<sup>7</sup> (Sirgy, 1982) or their personal identity and, in doing so, they establish self-brand connections (Escalas & Bettman, 2003, 2005). Therefore:

H6b: When involvement is low, disclosing that an ad is consumer-generated will enhance Self-Brand Connection, provided that the ad is professionally produced.

Emotional response to brand is conceptualised as affective properties of attitudes (Crites, Fabrigar, & Petty, 1994). Hence, it is hypothesised that:

H6c: When involvement is low, disclosing that an ad is consumer-generated will enhance the Emotional Response to Brand, provided that the ad is professionally produced.

## *Behavioural Intentions*

According to the Dual Mediation hypothesis, the attitude towards the brand predicts behavioural intentions (MacKenzie et al., 1986). Therefore, the increase in  $A_b$  is expected to be associated with an exhibition of stronger Purchase Intentions.

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<sup>7</sup> Self-concept is defined as the “totality of the individual’s thoughts and feelings having reference to himself as an object” (Rosenberg, 1979, p. 7), or, more simply, it is “the person’s perception of oneself” (Mehta, 1999, p. 82).

H7a: When involvement is low and the ad is professionally produced, disclosing that an ad is consumer-generated will result in a stronger Purchase Intention relative to a control condition in which no information about the ad source is provided.

The present study also evaluates the Likelihood to Share as one of the behavioural effects of consumer-generated advertising. Likelihood to Share (known also as 'shareability', forwarding intentions or eWOM intentions) has been commonly used in relation to viral advertising, defined as "unpaid peer-to-peer communication of provocative content originating from an identified sponsor using the Internet to persuade or influence an audience to pass along the content to others" (Porter & Golan, 2006, p. 29). It is hypothesised that along with enhanced Purchase Intentions, CGA will lead to increased Likelihood to Share.

H7b: When involvement is low and the ad is professionally executed, disclosing that an ad is consumer-generated will produce a stronger Likelihood to Share relative to a control condition in which no information about the ad source is provided.

### *Brand Recall*

According to the Source Monitoring Approach, to retrieve the source from memory, individuals attribute events to a particular source through decision processes performed during remembering (Johnson et al., 1993). This study suggests testing that:

H8a: When involvement is low and the ad is professionally executed, disclosing that an ad is consumer-generated will enhance Unaided Brand Recall relative to a control condition in which no information about the ad source is provided.

H8b: When involvement is low and the ad is professionally executed, disclosing that an ad is consumer-generated will enhance Aided Brand Recall relative to a control condition in which no information about the ad source is provided.

### *Entertainment Value*

Another important measure of CGA effectiveness is Entertainment Value, which refers to "the extent to which an online advertisement provides pleasure, diversion, or amusement to

consumers” (Taylor, Strutton, & Thompson, 2012, p. 17) and serves as an indicator of the ad’s potential to go viral (Taylor et al., 2012).

H9: When involvement is low, disclosing that an ad is consumer-generated will enhance its Entertainment Value, provided that the ad is professionally executed.

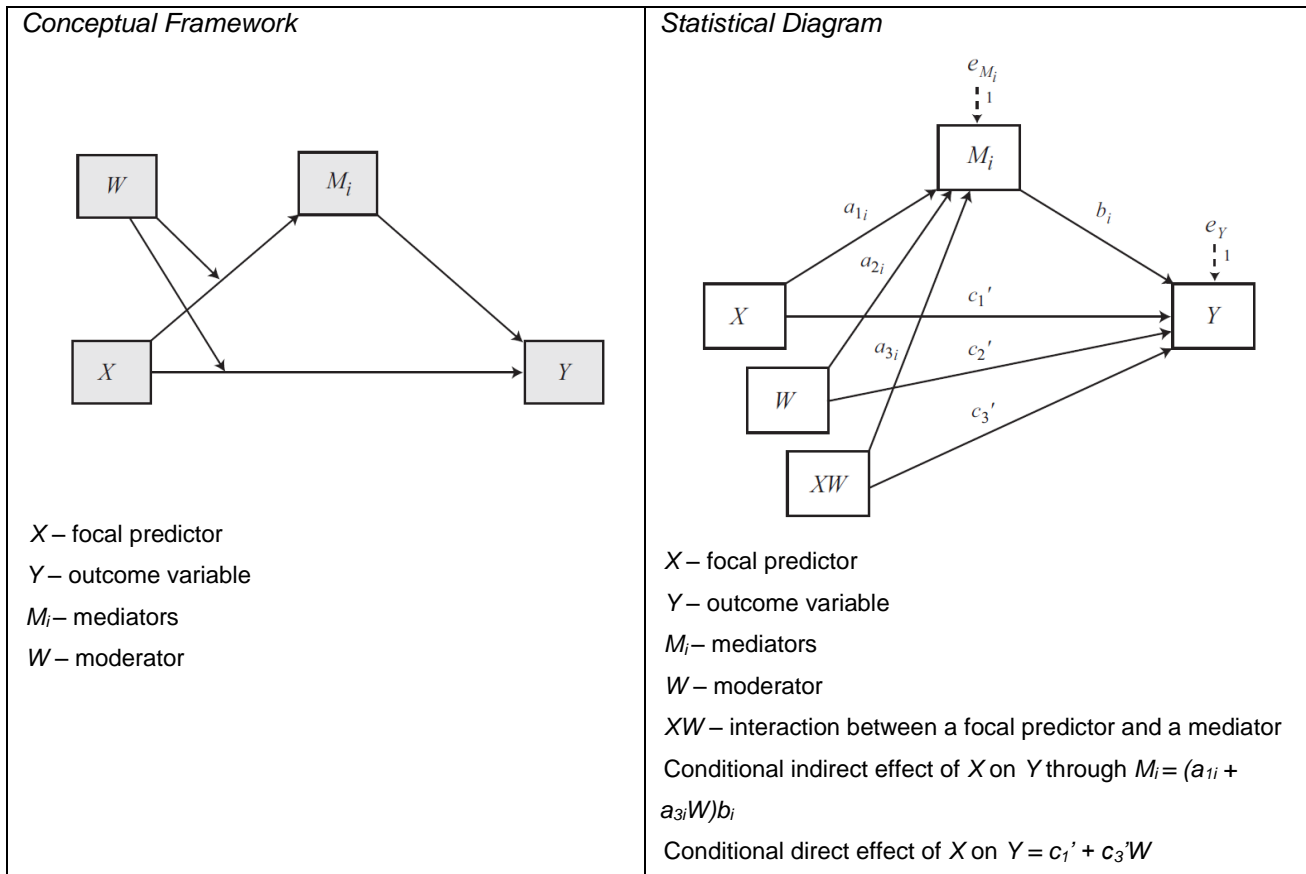
Overall, nine main hypotheses on the effects of consumer-generated advertising were developed and justified using existing literature. They relate to a range of vital advertising responses, such as  $A_{ad}$ , Credibility, Creativity, Brand Evaluations, Behavioural Intentions, Brand Recall and Entertainment Value, and were designed to test the Salience-Involvement model of CGA effects.

## 5.3 MODERATION AND MEDIATION IN THE MODEL

### Framework for Study One

The proposed conceptual model incorporates mediation and moderation analysis. Its focus is on estimating and interpreting the conditional nature of the direct and indirect effects in the causal system (Hayes, 2013). Moderation analysis is used “to examine how the effect of antecedent variable  $X$  on a consequent  $Y$  depends on the third variable or set of variables” (Hayes, 2013, p. 10). It tests for the interaction effect between Source Salience and Product Involvement on the outcome. Meanwhile, mediation analysis is used “to quantify and examine the direct and indirect pathways through which an antecedent variable  $X$  transmits its effect on a consequent variable  $Y$  through one or more intermediary or mediator variables” (Hayes, 2013, p. 10) (see Figure 5-2). In other words, mediation refers to “a situation when the relationship between a predictor and an outcome variable can be explained by their relationship to a third variable (mediator)” (Field, 2013, p. 408). Mediation is considered to have occurred if the strength of the relationship between the predictor and the outcome is reduced by including a mediator (Field, 2013).

**Figure 5-2:** Statistical Representation of the Conceptual Model for Study One (Hayes, 2013)



The suggested conceptual model uses serial multiple mediators, which are represented by continuous observed variables. It implies that antecedent variable Source Salience is modelled as influencing consequent Ad Evaluations directly, as well as indirectly via two mediators, Credibility and Creativity, with the condition that the mediators are correlated. Credibility and Creativity are likely to be serial rather than parallel mediators because one mediator may affect another (e.g., creativity novelty affects brand trust (Sheinin et al., 2011)). Overall, Source Salience may affect Ad and Brand Evaluations via three indirect pathways: (1) Source Salience (Ad Source) → Credibility → Ad and Brand Evaluations, (2) Source Salience → Creativity → Ad and Brand Evaluations, (3) Source Salience → Credibility → Creativity → Ad and Brand Evaluations.

In addition, the hypothesis involves testing the moderation of one direct and three indirect paths. That is, Product Involvement influences the direct effect of Source Salience (Ad Source) on Ad and Brand Evaluations, and influences the indirect effects of Source Salience on Ad and Brand Evaluations through Credibility and Creativity. Moderation uses a manipulated categorical dichotomous moderator and tests a two-way interaction between Advertising Source and Product Involvement.

Combined into one integrative framework, mediation and moderation processes constitute the conditional process model. This model depicts Credibility and Creativity's mediation of the effect of Advertising Source on Ad and Brand Evaluations, with both direct and indirect effects on Ad and Brand Evaluations moderated by Product Involvement. Thus, the indirect effect of Advertising Source is dependent on Product Involvement by Credibility and Creativity. This moderation renders the indirect effect conditional on Product Involvement. The direct effect is also proposed as moderated by Product Involvement; thus, the direct effect is also conditional on the moderator. Therefore, in a moderated mediation model such as the present model, there is no single direct or indirect effect of the focal predictor on the outcome variable (Hayes, 2013). Instead, the indirect and direct effects are functions of Product Involvement. Therefore, the hypotheses and analysis in this study will involve estimating and interpreting both the conditional direct and indirect effects.

The analysis in the present research is conceptualised in terms of moderated mediation, implying moderation of the indirect and direct effects of Advertising Source. As defined by Hayes (2013), mediation is moderated if the indirect effect of Advertising Source on  $A_{ad}$  through the mediators Credibility and Creativity is contingent on the moderator Product Involvement. With evidence of moderated mediation, one can claim that the Source Salience (Ad Source) → Creativity → Credibility → Ad Evaluations chain of events functions differently at various values of Product Involvement.

Conversely, the term mediated moderation refers to the phenomenon in which an interaction between a focal predictor, Source Salience (Ad Source), and a moderator, Product Involvement, in a model of Ad and Brand Evaluations is carried through the mediators. Therefore, the causal chain of events from the interaction of Ad Source and Product Involvement to Credibility and Creativity to Ad Evaluations is interpreted as the mechanism by which the Advertising Source's moderated effect on Ad and Brand Evaluations is transmitted (Hayes, 2013).

The present study is intended to interpret the results in terms of moderated mediation instead of mediated moderation and, therefore, focus on how indirect effects are moderated. Hayes (2013) argues that it is substantially more meaningful to conceptualise moderated mediation rather than a mediated moderation process. "Interpretive focus in a moderated mediation analysis is directed at estimating the indirect effect and how that effect varies as a function of a moderator. Mediated moderation, by contrast, enquires how the mechanism through which an interaction between X and a moderator W operates, where the product of X and W is construed as the causal agent sending its effect to Y through M" (Hayes, 2013, p. 387) (see Figure 5-2). Thus, while mediated moderation focuses on the estimation of the indirect effect of the product of the main predictor variable and its moderator, the focus on the indirect effect of the product of their interaction theoretically could be less meaningful (Hayes, 2013).

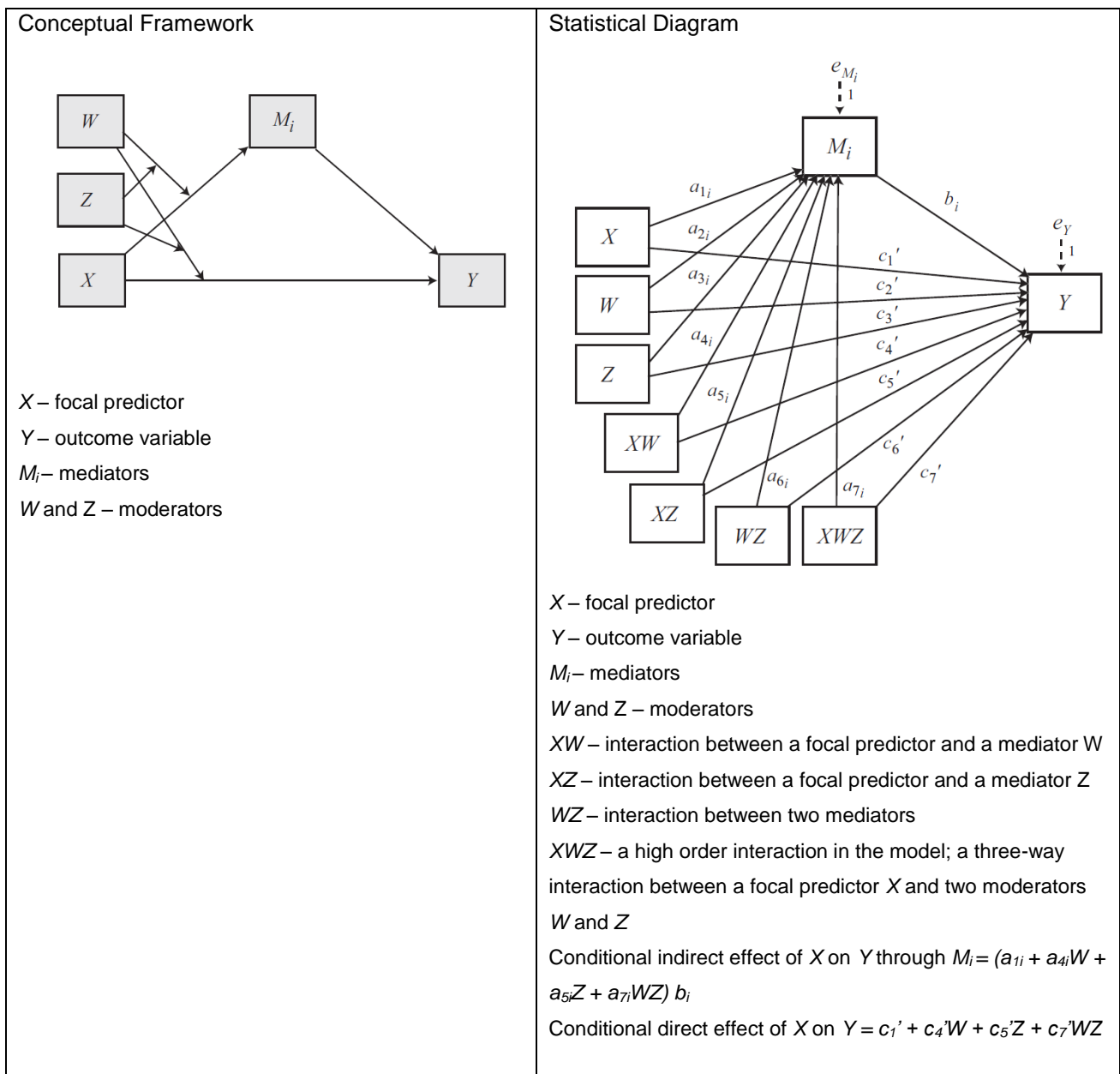
#### *Framework for Study Two*

The conceptual framework for Study Two represents an extended version of the previously discussed model that involved multiple moderators. A multiple moderation model is defined as a "model in which several variables are estimated as moderating a single focal predictor's effect" (Hayes, 2013, p. 300). Apart from the Product Involvement estimated in Study One, Study Two introduces the second moderator, Source Awareness, which is defined by whether the advertising source was disclosed to the audience. Consequently, in this version, the Salience-Involvement model of CGA effects is a mediated moderation model with multiple mediators (Credibility and Creativity) and multiple moderators (Product Involvement and Source Awareness).

Thus, in Study Two, the proposed conceptual framework is aimed to test a three-way interaction, which is also known as a moderated moderation, whereby the effect of the primary moderator is again moderated itself by another variable (see Figure 5-3). Thus, a three-way interaction between Source Salience, Product Involvement and Source Awareness allows the moderation of the Advertising Source variable's effect on Ad and Brand Evaluations by Product Involvement to depend on Source Awareness.



**Figure 5-3:** Statistical Representation of the Conceptual Model for Study Two (Hayes, 2013)



## 5.4 QUANTITATIVE DATA ANALYSIS

The data analysis involved four statistical methods. Firstly, the difference between the mean score for three categories (consumer-generated advertising, company advertising and no source) was assessed using factorial between groups ANOVA (analysis of variance) (Field, 2013; Gonzalez, 2009; Kirk, 2013; Kremelberg, 2011; Pallant, 2007). The data for Source Awareness were coded into three predictor categories, and the data for Product Involvement and Source Salience were coded into two predictor categories each. A control group, where the source information was not disclosed to the participants, served as a baseline for between group comparisons. After the coding was completed, a two-way ANOVA was performed for Study 1, and a three-way ANOVA was performed for Study 2.

Secondly, mediation analysis was performed using a path structure equation model (SEM), with bootstrap sampling at 95 per cent confidence interval (Kline, 2011). It has been widely accepted that research designs comprising multiple mediation should use bootstrapping methods to address the problem of normality in data distribution (Shrout & Bolger, 2002). “Bootstrapping generates an empirical representation of the sampling distribution of the indirect effect by treating the obtained sample of size  $n$  as a representation of the population in miniature, one that is repeatedly resampled during analysis as a means of mimicking the original sampling process” (Hayes, 2009, p. 412). Research shows that bootstrapping is one of the most valid and powerful methods for testing intervening variable effects (MacKinnon, Lockwood, & Williams, 2004; Williams & MacKinnon, 2008). It provides significant advantages in comparison to the classical causal step approach for estimating mediation popularised by Baron and Kenny (1986) (Hayes, 2009, 2013; Preacher & Hayes, 2008; Preacher, Rucker, & Hayes, 2007; Rucker, Preacher, Tormala, & Petty, 2011; Zhao, Lynch & Chen, 2010).

The present study tested a comprehensive multiple mediation model rather than a series of separate mediation models for the following reasons. Firstly, a multiple mediation model identifies the extent to which specific variables (Credibility and Creativity) mediate the effect of the predictor variable (Source Awareness/ Source Salience) on the dependent variable (e.g.,  $A_{ad}$ ,  $A_b$ ), taking into consideration the presence of other mediators in the model (Preacher & Hayes, 2008). Secondly, comprehensive multiple mediation models considerably reduce the parameter bias that may occur due to omission of variables during the analysis (Preacher & Hayes, 2008). Importantly, testing separate mediation models, on the other hand, assumes omitting some variables, which may lead to biased results. Thirdly, the inclusion of all mediators in the same model facilitates estimating the magnitude of the indirect effects occurring through all the relevant mediator variables (Preacher & Hayes, 2008).

Thirdly, moderated mediation analysis was performed using a regression-based 'Process macros' for SPSS, developed by Hayes (2013). This modern approach emphasises the estimation of conditional indirect effects – the value of indirect effects conditioned on the values of the moderators (Hayes, 2013; Preacher et al., 2007).

## 5.5 MEASUREMENT SCALES AND QUESTIONNAIRE DEVELOPMENT

To develop a questionnaire a number of well-established measurement scales were selected from the academic literature. The survey included five blocks of questions: Ad and Brand Evaluations, Behavioural Intentions, Brand Recall, covariates and demographic measures.

### *Ad and Brand Evaluations*

The Ad and Brand Evaluations were measured using five dependent variables: Attitude towards the Ad ( $A_{ad}$ ), Attitude towards the Brand ( $A_b$ ), Self-Brand Connection, Emotional Response to Brand, and Entertainment Value (see Table 5-1).  $A_{ad}$  was measured using the eleven-item, seven-point Likert scale (Batra & Ahtola, 1990; Spangenberg, Voss, & Crowley, 1997).  $A_b$  was measured by the four-item, seven-point Likert scale, anchored by “Favourable/Unfavourable”, “I like this brand/I dislike this brand”, “It’s a high quality brand/It’s a low quality brand” and “It’s appealing/It’s unappealing” (Lutz, MacKenzie, & Belch, 1983).

The Self-Brand Connections initiated by CGAs were measured using the seven-item, seven-point Likert scale (Escalas & Bettman, 2005). The Emotional Response to Brand was measured using the eight-item, seven-point Likert scale: hate/love, sad/delighted, annoyed/happy, tense/calm, bored/excited, angry/relaxed, disgusted/accepting and sorrow/joy (Yoon, Choi, & Song, 2011). Meanwhile, Entertainment Value was measured using the four-item, seven-point Likert scale by Taylor et al. (2012). Participants were asked to assess the ad according to one of four statements, such as “This ad was lots of fun to watch and to listen to” and “I thought it was clever and quite entertaining” (Taylor et al., 2012).

**Table 5-1:** Scale Items for Ad and Brand Evaluations

<i>Coding</i>	<i>Semantic Differentials</i>
<i>Attitude towards the Ad</i>	
AA1	Fun to see – Not fun to see
AA2	Pleasant – Unpleasant
AA3	Entertaining – Not entertaining
AA4	Enjoyable – Not enjoyable
AA5	Important – Not important
AA6	Helpful – Not helpful
AA7	Informative – Uninformative
AA8	Useful – Useless
AA9	Making me curious – Not making me curious
AA10	Not boring – Boring
AA11	Interesting – Not interesting

<i>Attitude towards the Brand</i>	
AB1	Favourable – Unfavourable
AB2	I like this brand – I dislike this brand
AB3	It's a high quality brand – It's a poor quality brand
AB4	It's appealing – It's unappealing
<i>Self-Brand Connection</i>	
SBC1	This brand reflects who I am
SBC2	I can identify with this brand
SBC3	I feel a personal connection with this brand
SBC4	I use this brand to communicate who I am to other people
SBC5	I think this brand helps me become the type of person I want to be
SBC6	I consider this brand to be “me” (it reflects who I consider myself to be or the way that I want to present myself to others)
SBC7	This brand suits me well
<i>Emotional Response to Brand</i>	
ERB1	Hate – Love
ERB2	Sad – Delighted
ERB3	Annoyed – Happy
ERB4	Tense – Calm
ERB5	Bored – Excited
ERB6	Angry – Relaxed
ERB7	Disgusted – Accepting
ERB8	Sorrow – Joy
<i>Entertainment Value</i>	
EV1	This ad was lots of fun to watch and to listen to
EV2	I thought it was clever and quite entertaining
EV3	The ad wasn't just selling the product – it was entertaining me. I appreciated that
EV4	I just laughed at it – I thought it was very funny and good

### *Credibility*

Credibility was measured using a 15-item, seven-point Likert scale (Ohanian, 1990). This scale includes three components: attractiveness (attractive/unattractive, classy/not classy, beautiful/ugly, elegant/plain, sexy/not sexy), trustworthiness (undependable/dependable, honest/dishonest, reliable/unreliable, sincere/insincere, trustworthy/untrustworthy) and expertise (expert/not an expert, experienced/inexperienced, knowledgeable/unknowledgeable, qualified/unqualified, skilled/unskilled) (Ohanian, 1990).

**Table 5-2:** Scale Items for Credibility

<i>Coding</i>	<i>Semantic Differentials</i>
C1	Attractive – Unattractive
C2	Classy – Not classy
C3	Beautiful – Ugly
C4	Elegant – Plain
C5	Sexy – Not sexy
C6	Undependable – Dependable
C7	Honest – Dishonest
C8	Reliable – Unreliable

C9	Sincere – Insincere
C10	Trustworthy – Untrustworthy
C11	Expert – Not an expert
C12	Experienced – Inexperienced
C13	Knowledgeable – Unknowledgeable
C14	Qualified – Unqualified
C15	Skilled – Unskilled

### *Creativity*

Creativity was measured using an eleven-item, seven-point Likert scale (Sheinin et al., 2011). This scale consists of two constructs: novelty (e.g. “This ad is original”) and usefulness (e.g. “This ad provides relevant information”) (Sheinin et al., 2011).

**Table 5-3:** Scale Items for Creativity

<i>Coding</i>	<i>Likert Items</i>
CREA1	This ad is original
CREA2	This ad is different from my expectations of TV ads
CREA3	This ad is memorable
CREA4	This ad is visually interesting
CREA5	This ad is interesting
CREA6	This ad is different
CREA7	This ad is believable
CREA8	This ad provides relevant information
CREA9	This ad does a good job of presenting the product’s benefits
CREA10	This ad does a good job of building the product’s image
CREA11	This ad provides practical information

### *Behavioural Intentions*

Apart from the standard measure of Purchase Intentions accomplished using a three-item, five-point Likert scale (Aggarwal, Jun, & Huh, 2011), the Likelihood to Share was measured using the six-items scale adopted from Ajzen and Fishbein (1975, 1980) and Taylor et al. (2012). Respondents evaluated the likelihood that they would electronically share a CGA with others users using the seven-point Likert scale, anchored by adjectives, such as “unlikely/likely”, “improbable/probable”, “probably would not/probably would”, etc. (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975; Taylor et al., 2012) (see Table 5-4).

**Table 5-4:** Scale Items for Behavioural Intentions

<i>Coding</i>	<i>Likert Items</i>
<i>Purchase Intentions</i>	
PI1	If you were in the market to buy ____, how likely are you to buy this Brand?
PI2	The probability that I will purchase this Brand is
PI3	If I were in the market to buy ____, I would consider buying this Brand

<i>Likelihood to Share</i>	
LS1	Unlikely – Likely
LS2	Improbable – Probable
LS3	Probably would not – Probably would
LS4	Definitely would not – Definitely would
LS5	Non-existent – Existent
LS6	Impossible – Possible
LS7	Uncertain – Certain

### *Brand Recall*

The Recall Effects of consumer-generated advertising were measured using Unaided and Aided Brand Recall. The respondents' answers were coded in three and two categories respectively (see Table 5-5).

**Table 5-5:** Categories for Brand Recall

<i>Coding</i>	<i>Category</i>
<i>Unaided Brand Recall</i>	
0	Blank (no brand recall)
1	Inaccurate and partial brand recall
2	Perfect brand recall
<i>Aided Brand Recall</i>	
0	Blank (no brand recall)
1	Perfect brand recall

### *Covariate Variables and Additional Measurements*

The present study uses two covariate variables: Product Category Involvement and Consumer Scepticism. Product Category Involvement was measured using the five-item, seven-point Likert scale (Zaichowsky, 1994) (see Table 5-6). Meanwhile, Consumer Scepticism was measured with the nine-item, seven-point Likert scale developed by Obermiller and Spangenberg (1998), using items such as “We can depend on getting the truth in most advertisements”, “Advertising’s aim is to inform the consumer” and “I believe advertising is informative” (Obermiller & Spangenberg, 1998). Half of the respondents received a question measuring their consumer scepticism towards company-generated ads, and the other half received a question measuring their consumer scepticism towards consumer-generated ads.

**Table 5-6:** Scale Items for Covariate Variables

<i>Coding</i>	<i>Likert Items</i>
<i>Product Category Involvement</i>	
PCI1	In general, the product is very important to me
PCI2	In general, the product matters a lot to me
PCI3	In general, I have a strong interest in the product

PCI4	In general, the product is very relevant to me
PCI5	I'm get bored when I'm being told about the product
<i>Consumer Scepticism</i>	
CS1	We can depend on getting the truth in most advertisements
CS2	Advertising's aim is to inform the consumer
CS3	I believe advertising is informative
CS4	Advertising is generally truthful
CS5	Advertising is a reliable source of information about the quality and performance of products
CS6	Advertising is truth well told
CS7	In general, advertising presents a true picture of the product being advertised
CS8	I feel I have been accurately informed after viewing most ads
CS9	Most ads provide consumers with essential information

### *Demographic Measures*

Six questions in the survey were aimed at obtaining demographic data of the sample. These questions related to gender, age, occupation, income, education and family structure. The complete questionnaire can be found in Appendix II.

## **5.6 CHAPTER SUMMARY**

This thesis, so far, has presented a research problem, discussed the literature and methodology, presented the results of a qualitative exploratory study and developed the conceptual framework and a set of hypotheses. The following two chapters will cover the empirical part of the current investigation. The hypotheses will be tested in two studies. The first study will address a common situation when CGAs are broadcasted without disclosing their consumer source. It is aimed at exploring which attitudes to salient CGAs are more likely to emerge, relative to classical traditional company advertising. Thus, the first study will test a two-way interaction between Source Salience and Product Involvement. The second study, however, will reveal the consumer source to the respondents prior to their exposure to stimulus ads. Therefore, the second study is intended to identify a three-way interaction between Source Awareness, Source Salience and Product Involvement.



## **Chapter 6**

### **EXPERIMENTAL STUDY ONE**

#### **6.1 INTRODUCTION**

The Salience-Involvement model of the consumer-generated advertising's influence was tested in two empirical studies. This chapter is devoted to the first experiment, which examines what responses CGA is likely to produce without disclosing the advertising source to participants. The communication outcomes will be therefore based on the processing of salient cues, such as the advertising production quality. CGA perception will be moderated by high and low product involvement. First, this chapter will outline the experimental design, and explain the selection of stimulus materials and research procedures. Data analysis will include a range of statistical tests: analysis of variance (ANOVA) and multivariate analysis of variance (MANOVA), path analysis using structural equation modelling, and conditional moderated mediation analysis using the Process macros. The major findings will be presented in this chapter, including the direct and indirect effects of CGA's Source Salience on Ad and Brand Evaluations, Credibility, Creativity, Behavioural Intentions and Brand Recall.

#### **6.2 RESEARCH DESIGN AND PROCEDURE**

##### **6.2.1 Experimental Design**

Study One used a 2 x 2, between-subjects experimental design in which Advertising Source Salience (consumer-generated vs. company-generated) and Product Involvement (high involvement vs. low involvement) created four experimental conditions (see Table 6-1). Importantly, in the first experiment, the advertising source was not disclosed to participants. Therefore, perceptions of CGA and classical company advertising were based on elaborating salient cues, such as advertising production quality, ad content and acting.

**Table 6-1:** Experimental Design for Study One

<i>Ad Source Salience</i>	<i>Product Involvement</i>	
	<i>High</i>	<i>Low</i>
<i>Consumer-Generated Ads</i>	Consumer-generated ad with a high involvement product	Consumer-generated ad with a low involvement product
<i>Company Ads</i>	Company-generated ad with a high involvement product	Company-generated ad with a low involvement product

### 6.2.2 Stimulus Material

Four video ads of real brands were selected as stimulus materials for the first experiment. Advertising Salience was manipulated by providing two different ads: one created by a company and another submitted by a consumer for an advertising contest. Product Involvement was manipulated by presenting consumer-generated and company ads for two different brands that had recently initiated CGA competitions. A high involvement product was represented by Chevrolet (car brand), while a low involvement product was represented by Picnic (chocolate bar brand). Importantly, the selected high and low involvement ads were conceptually similar, ensuring sufficient control over the experimental conditions. The salience of advertising sources was pre-tested, using a small panel of judges. After watching stimulus ads selected for the experiment, a group of participants confirmed that the CGAs looked amateur and were associated with consumer-generated advertising, while the company ads looked professional and were associated with classical TV ads.

### 6.2.3 Experimental Procedure

The experiment was set up online using Qualtrics survey software. Participants were recruited from the University of Canterbury e-mail student list, Christchurch City Libraries and Facebook student groups from universities in the USA, UK, Australia, New Zealand, as well as through a diverse range of international online communities of hobbyists and enthusiasts. An incentive, the opportunity to win an iPod Touch, was used to encourage participation. Using the Qualtrics randomisation online tool, participants were randomly assigned to one of the experimental conditions. Respondents were provided with the information that this experiment was aimed at evaluating advertising effectiveness, without specifying the research focus of the study. After being exposed to one of stimulus ads, they were asked to answer the questionnaire.

## 6.3 DATA EXPLORATION

### 6.3.1 Sample Size and Composition

The initial sample consisted of 280 respondents. The data were checked for outliers using boxplots. Missing responses were managed using a mean replacement procedure for cases with missing values representing less than 10 per cent (Tabachnick & Fidell, 2013). In total, 208 useable surveys were selected for the analysis. That is, 52 respondents were obtained for each experimental condition.

The acquired sample consists of 102 females (49 per cent) and 106 males (51 per cent) (see Table 6-2). Respondents' ages range from 18 to 65. The age groups 18-25 years old (30.3 per cent), 26-34 years old (37.5 per cent) and 35-54 years old (25.0 per cent) are nearly equally represented in the sample. The majority of respondents are students (53.4 per cent) with the second largest group being professionals (30.3 per cent). Overall, participants are well-educated: 22.6 per cent have a bachelor's degree and 37.5 per cent have a master's. Generally, respondents report relatively low levels of income, with the majority earning less than \$30,000 per year.

**Table 6-2:** Respondents' Proportions for Demographic Variables

<i>Variable</i>	<i>Category</i>	<i>Frequency</i>	<i>Proportion</i>
Gender	Female	102	49%
	Male	106	51%
Age	18-25	63	30.3%
	26-34	78	37.5%
	35-54	52	25.0%
	55-64	14	6.7%
	65 or over	1	.5%
Occupation	Management, professional, and related	63	30.3%
	Service	4	1.9%
	Sales and office	1	.5%
	Farming, fishing, and forestry	3	1.4%
	Government	2	1.0%
	Retired	2	1.0%
	Unemployed	3	1.4%
	Student	111	53.4%
	Other	19	9.1%
Income	Below \$20,000	72	34.6%
	\$20,000 - \$29,999	52	25.0%
	\$30,000 - \$39,999	15	7.2%
	\$40,000 - \$49,999	7	3.4%
	\$50,000 - \$59,999	6	2.9%
	\$60,000 - \$69,999	9	4.3%
	\$70,000 - \$79,999	18	8.7%
	\$80,000 - \$89,999	8	3.8%
	\$90,000 or more	21	10.1%

Education	High school	18	8.7%
	College	11	5.3%
	Bachelor's degree	47	22.6%
	Postgraduate Diploma	16	7.7%
	Master's degree	78	37.5%
	PhD	38	18.3%
Family Structure	Single without children	90	43.3%
	Single with children	4	1.9%
	Married without children	35	16.8%
	Married with children	51	24.5%
	Life partner without children	25	12.0%
	Life partner with children	3	1.4%

### 6.3.2 Descriptive Statistics

Table 6-4 presents descriptive statistics for the dependent variables, displaying values for the mean, 95 per cent confidence intervals, median, standard deviation, range and mode. Overall, Likelihood to Share, Entertainment Value and Product Category Involvement demonstrate higher standard deviations, indicating a large spread of scores around the mean for these variables. To explore means separately for consumer-generated advertising and company ads, the file was split based on Source Salience. The descriptive statistics (see Table 6-5) show that, on average, the mean scores for company advertising are higher across most dependent variables:  $A_{ad}$ , Credibility, Creativity,  $A_b$ , Self-Brand Connection, Emotional Response to Brand and Purchase Intentions. Nevertheless, the mean for Entertainment Value is found to be higher for CGA. In addition, company ads and CGAs have approximately equal mean scores in relation to the Likelihood of advertising sharing.

**Table 6-3: Descriptive Statistics**

Variable	Mean	95% Confidence Interval		Median	Std. Dev	Range	Mode
		Lower Bound	Upper Bound				
Attitude towards the Ad	3.6289	3.4468	3.8110	3.6364	1.3322	6.00	3.27
Credibility	4.0519	3.9060	4.1977	4.0000	1.0667	6.00	4.00
Creativity	3.8702	3.6832	4.0572	3.7273	1.3679	6.00	3.73
Entertainment Value	3.4567	3.2248	3.6887	3.5000	1.6966	6.00	1.00
Attitude towards the Brand	4.6046	4.4264	4.7827	4.5000	1.3032	6.00	4.00
Self-Brand Connection	2.2782	2.0756	2.4807	1.7143	1.4818	6.00	1.00
Emotional Response to Brand	4.4357	4.3024	4.5690	4.2500	.9753	6.00	4.00
Product Category Inv	3.9219	3.6736	4.1702	4.2500	1.8165	6.00	2.00
Likelihood to Share	2.4215	2.1878	2.6552	1.6667	1.7096	6.00	1.00
Purchase Intention	2.6811	2.5116	2.8506	2.8333	1.2400	4.00	1.00
Consumer Scepticism	3.2548	3.0595	3.4501	3.1111	1.4286	6.00	1.00*

\* Multiple modes exist. The smallest value is shown

**Table 6-4: Descriptive Statistics for CGA and Company Ads**

Source Salience		A <sub>ad</sub>	Cred	Creat	EV	A <sub>b</sub>	SBC	ERB	LS	PI
Company Ad	Valid N	104	104	104	104	104	104	104	104	104
	Missing	0	0	0	0	0	0	0	0	0
	Mean	3.9510	4.2919	4.0795	3.2308	4.8293	2.5082	4.5613	2.4247	2.9103
	Median	4.0000	4.1429	4.0000	2.7500	4.7500	1.9286	4.3125	1.5000	3.0000
	Std. Deviation	1.2605	1.0838	1.3768	1.6553	1.2249	1.5421	.9433	1.7545	1.2256
CGA	Valid N	104	104	104	104	104	104	104	104	104
	Missing	0	0	0	0	0	0	0	0	0
	Mean	3.3068	3.8118	3.6608	3.6827	4.3798	2.0481	4.3101	2.4183	2.4519
	Median	3.3636	3.8929	3.5455	3.7500	4.5000	1.5000	4.0625	1.9167	2.0000
	Std. Deviation	1.3298	.9980	1.3329	1.7152	1.3456	1.3884	.9948	1.6720	1.2174

Note: A<sub>ad</sub> – Attitude towards the Ad, Cred – Credibility, Creat – Creativity, EV – Entertainment Value, A<sub>b</sub> – Attitude towards the Brand, SBC – Self-Brand Connection, ERB – Emotional Response to Brand, LS – Likelihood to Share, PI – Purchase Intention

## 6.4 RESULTS

The data were dummy-coded to generate two experimental treatments: Source Salience (0 = 'company ad', 1 = 'CGA') and Product Involvement (0 = 'high involvement', 1 = 'low involvement'). Table 6-8 summarises the hypotheses developed for Study One.

**Table 6-5:** Hypotheses for Study One

#	Hypothesis
	<i>Attitude towards the Ad, Credibility and Creativity</i>
H1	Under low involvement, consumer-generated advertising will produce more favourable Attitudes towards the Ad ( $A_{ad}$ ) than company ads.
H2	In low involvement conditions, consumer-generated advertising will be perceived as more credible than company advertising.
H3	Under low involvement, consumer-generated advertising will be perceived as more creative than company advertising.
H4	Source Salience will have a positive indirect effect on $A_{ad}$ through Credibility and Creativity.
H5	The effect of Source Salience through Credibility and Creativity on Attitude towards the ad will depend on Product Involvement.
H6	<i>Under low involvement, consumer-generated advertising will produce more favourable Brand Evaluations than company ads.</i>
H6a	Under low involvement, consumer-generated advertising will produce more favourable Attitudes towards the Brand ( $A_b$ ) than company ads.
H6b	Under low involvement, consumer-generated advertising will produce more favourable Self-Brand Connection than company ads.
H6c	Under low involvement, consumer-generated advertising will produce more favourable Emotional responses to Brand than company ads.
H7	<i>Consumer-generated advertising of low involvement products will produce stronger Behavioural Intentions than company advertising.</i>
H7a	Consumer-generated advertising of low involvement products will produce stronger Purchase Intentions than company advertising.
H7b	Consumer-generated advertising of low involvement products will produce stronger Likelihood to Share than company advertising.
H8	<i>Consumer-generated advertising of low involvement products will produce higher levels of Brand Recall.</i>
H8a	Consumer-generated advertising of low involvement products will produce higher Unaided Brand Recall.
H8b	Consumer-generated advertising of low involvement products will produce higher Aided Brand Recall.
	<i>Entertainment Value</i>

H9	Consumer-generated advertising of low-involvement products will results in higher Entertainment value than company advertising.
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### *Manipulation Checks*

Firstly, it was important to determine that manipulation of the independent variables produced a difference in responses. To check the manipulation of Product Involvement, participants were asked to answer a question about their product category involvement for cars and chocolate bars, depending on the experimental condition. As expected, ANOVA shows that product category involvement is higher for cars ( $M = 4.178$ ) than for chocolate ( $M = 3.666$ ):  $F(1, 206) = 4.195$ ,  $p < .05$ , partial  $\eta^2 = .020$ . Manipulation of Product Involvement was therefore successful.

To test Source Salience manipulation, the respondents were asked to rate a stimulus advertisement from 1 to 5 (1 = “bad”, 5 = “excellent”). From ANOVA, it is evident that Source Salience produces a significant difference in overall ad evaluation. Thus, consumer-generated ads ( $M = 3.500$ ) are preferred to company ads ( $M = 2.923$ ):  $F(1, 206) = 19.027$ ,  $p < .001$ , partial  $\eta^2 = .085$ . Therefore, manipulation of Source Salience was also successful.

### **6.4.1 Effects on Attitude towards the Ad, Credibility and Creativity**

H1 proposes that under low involvement, consumer-generated advertising will produce more favourable Attitudes towards the Ad ( $A_{ad}$ ) than company ads. H2 states that in low involvement conditions, consumer-generated advertising will be perceived as more credible than company advertising. Meanwhile, H3 proposes that under low involvement, consumer-generated advertising will be perceived as more creative than company advertising.

These three hypotheses were simultaneously tested using multivariate analysis of variance (MANOVA), in which Advertising Source (Source Salience) and Product Involvement were used as independent variables, and  $A_{ad}$ , Credibility and Creativity as the dependent variables. Product Category Involvement was entered as a covariate.

Box’s M test showed that the covariance matrices are equal across the groups: Box’s  $M = 28.179$ ,  $F(18, 147060.221) = 1,524$ ,  $p = .071$ . A non-significant Levene’s test indicated that error variances for all three variables were also equal:  $F_{A_{ad}}(3, 204) = 1.283$ ,  $p = .281$ ,  $F_{Credibility}(3, 204) = 1.804$ ,  $p = .148$ ,  $F_{Creativity}(3, 204) = .249$ ,  $p = .862$ . The assumptions for MANOVA were therefore met.

Using Wilks's lambda, there is a significant effect of Source Salience and Product Involvement on  $A_{ad}$ , Credibility and Creativity:  $\Lambda = .890$ ,  $F(3, 201) = 8.262$ ,  $p < .001$ , partial  $\eta^2 = .110$ . Separate univariate ANOVAs on the outcome variables reveal that the interaction between Source Salience and Product Involvement has significant effects on Credibility:  $F(1, 203) = 5.668$ ,  $p < .05$ , partial  $\eta^2 = .027$  and Creativity,  $F(1, 203) = 5.458$ ,  $p < .05$ , partial  $\eta^2 = .026$ , representing small size effects. However,  $A_{ad}$  is found to be significantly affected by only Source Salience ( $F(1, 203) = 14.278$ ,  $p < .001$ ), representing also a small effect: partial  $\eta^2 = .066$  (see Table 6-9).

According to the profile plots, consumer-generated advertising is not found to have performance advantages over company advertising in relation to  $A_{ad}$  and Credibility, or Creativity (see Figure 6-2). As the data show, consumer-generated advertising produces less favourable  $A_{ad}$  ( $M_{CGA} = 3.302$ ) than company advertising ( $M_{company} = 3.956$ ). Pairwise comparisons indicate that this mean difference, .655, is significant,  $p < .001$ . Therefore, H1 is not supported.

At the univariate level, consumer-generated advertising is perceived as less credible in both high and low involvement conditions ( $M_{CGA \text{ high}} = 3.795$ ,  $M_{CGA \text{ low}} = 3.826$ ) than company advertising ( $M_{company \text{ high}} = 4.615$ ,  $M_{company \text{ low}} = 3.972$ ). Therefore, H2 is not supported. Yet under low involvement, the difference in credibility of CGA and company advertising is very small.

Findings also reveal that when exposed to an ad with a high involvement product, both consumer-generated and company advertising are perceived as almost equally creative ( $M_{CGA} = 3.813$  and  $M_{company} = 3.809$ ). Yet when a low involvement product is advertised, company ads are perceived as more creative ( $M_{company} = 4.357$ ) than consumer-generated ads ( $M_{CGA} = 3.502$ ). This did not support H3, and hence it is not supported.

**Table 6-6: MANOVA Results: Effects on  $A_{ad}$ , Credibility and Creativity**

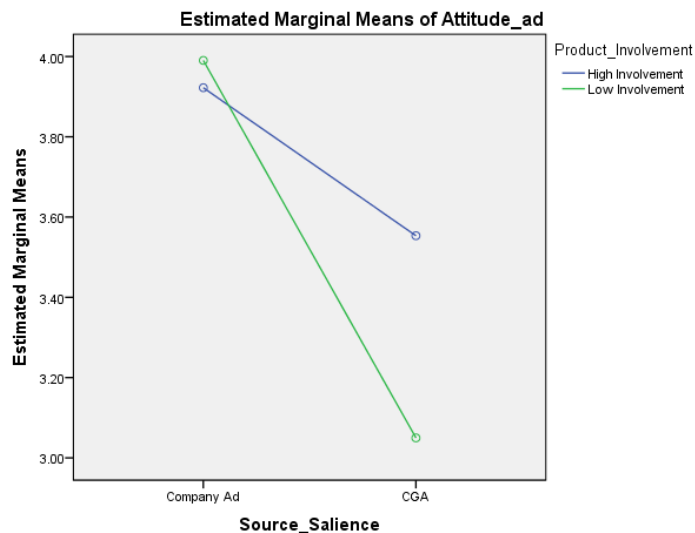
Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	Attitude ad	50.626 <sup>a</sup>	4	12.657	8.111	.000	.138
	Credibility	23.660 <sup>b</sup>	4	5.915	5.667	.000	.100
	Creativity	30.784 <sup>c</sup>	4	7.696	4.382	.002	.079
Intercept	Attitude ad	300.616	1	300.616	192.655	.000	.487
	Credibility	532.929	1	532.929	510.574	.000	.716
	Creativity	413.209	1	413.209	235.251	.000	.537
Product Category Inv.	Attitude ad	23.711	1	23.711	15.195	.000	.070
	Credibility	1.794	1	1.794	1.719	.191	.008



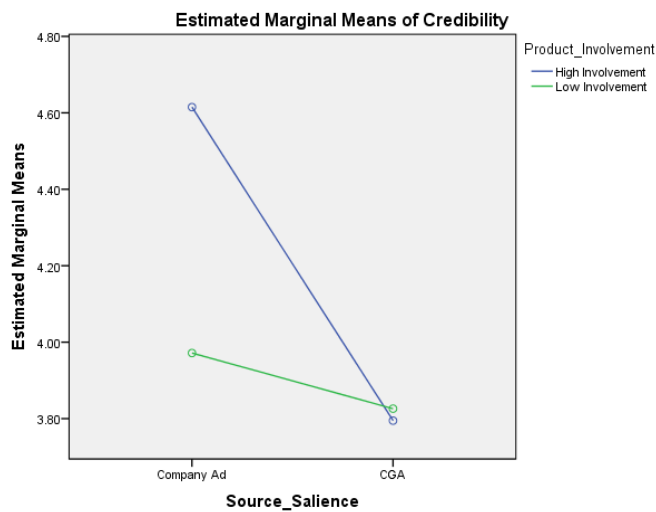
	Creativity	10.072	1	10.072	5.734	.018	.027
Source Salience	Attitude ad	22.279	1	22.279	14.278	<b>.000</b>	.066
	Credibility	12.125	1	12.125	11.617	.001	.054
	Creativity	9.412	1	9.412	5.358	.022	.026
Product Involvement	Attitude ad	2.419	1	2.419	1.551	.214	.008
	Credibility	4.773	1	4.773	4.573	.034	.022
	Creativity	.711	1	.711	.405	.525	.002
Source Salience * Product Involvement	Attitude ad	4.250	1	4.250	2.724	.100	.013
	Credibility	5.916	1	5.916	5.668	<b>.018</b>	.027
	Creativity	9.586	1	9.586	5.458	<b>.020</b>	.026
Error	Attitude ad	316.759	203	1.560			
	Credibility	211.888	203	1.044			
	Creativity	356.562	203	1.756			
Total	Attitude ad	3106.570	208				
	Credibility	3650.393	208				
	Creativity	3502.851	208				
Corrected Total	Attitude ad	367.385	207				
	Credibility	235.548	207				
	Creativity	387.346	207				

**Figure 6-1: Plots: Effects on A<sub>ad</sub>, Credibility and Creativity**

Attitude towards the Ad

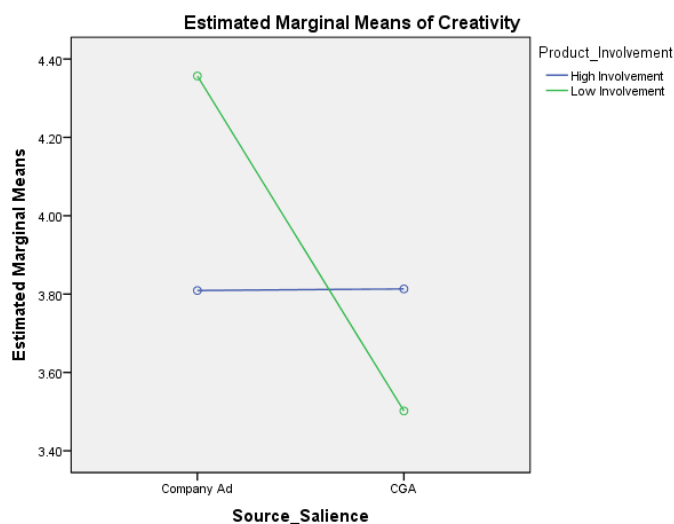


## Credibility



Covariates appearing in the model are evaluated at the following values: Product\_category\_inv = 3.9219

## Creativity

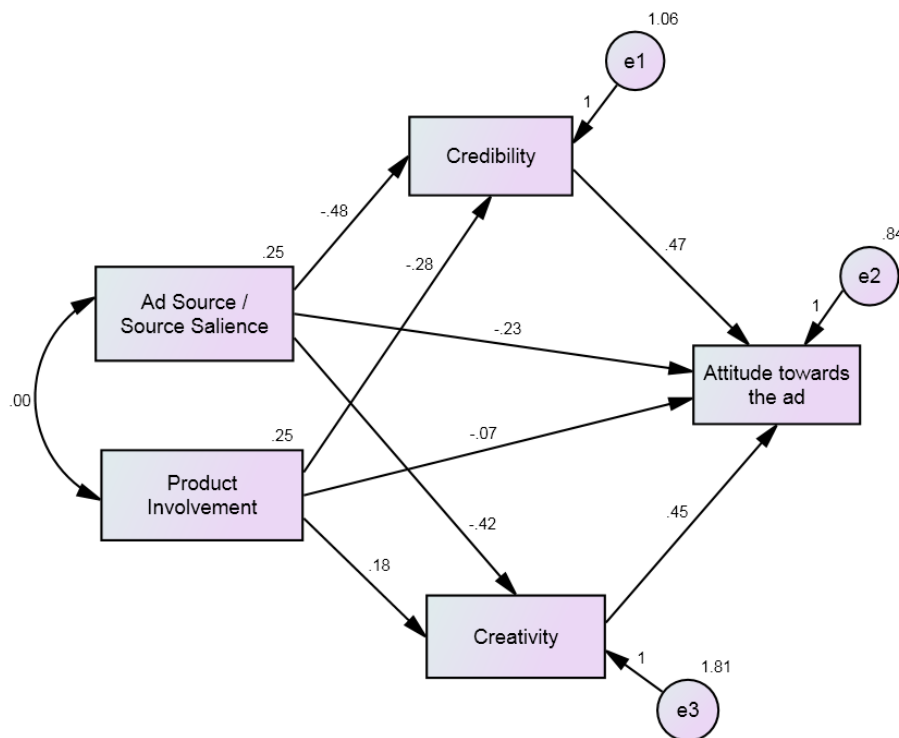


Covariates appearing in the model are evaluated at the following values: Product\_category\_inv = 3.9219

### 6.4.2 Mediation Analysis: Indirect Effects on $A_{ad}$

H4 predicts that Source Salience will have a positive indirect effect on Attitude towards the Ad through Credibility and Creativity. This hypothesis was tested using structural equation modelling (SEM) with bootstrap resampling at a 95 per cent bias-corrected confidence Interval. The SEM estimations were performed using 2,000 bootstrap samples (Hayes, 2013).

**Figure 6-2:** Structural Equation Model: Effects of Source Salience on  $A_{ad}$  Mediated by Credibility and Creativity, Version One (Unstandardised Estimates)



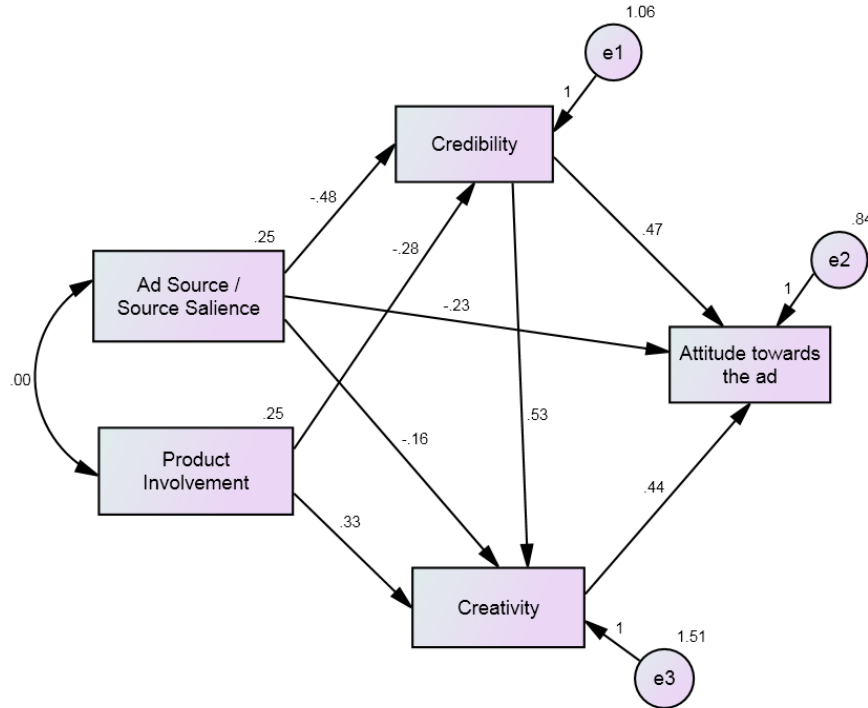
The first version of SEM (see Figure 6-3) showed a poor fit with the data:  $\chi^2(1) = 37.074$ ,  $p < .001$ , RMSEA (root mean square error of approximation) = .417, CFI (comparative fit index) = .822, AIC (Akaike Information Criterion) = 65.074. After the insignificant path between Product Involvement and  $A_{ad}$  ( $\gamma = -.007$ ) was removed, and a path from Credibility to Creativity was added, the analysis was rerun.

The second version of the SEM (see Figure 6-4) shows a good fit with the data,  $\chi^2(1) = .309$ ,  $p = .578$ , RMSEA (root mean square error of approximation) = .000, CFI (comparative fit index) = 1.000, NFI (normed fit index) = .999, RMR = .004, AIC (Akaike Information Criterion) = 28.309. A significantly lower score for AIC demonstrates that after the improvements the model fits the data better. The regression weights indicate the unstandardised direct and indirect effect estimates. The unstandardised indirect effect coefficients represent the manner in which the mediating variables of Credibility and Creativity together mediate the influence of Source Salience (see Table 6-10).

The SEM analysis reveals that the Ad Source (Source Salience) has no significant direct effect on  $A_{ad}$  ( $\gamma = -.232$ ,  $p > .05$ , 95% BCa CI [-.489, .025]). However, Source Salience produces a significant negative indirect effect on  $A_{ad}$  ( $\gamma = -.412$ ,  $p = .001$ , 95% BCa CI [-.678, -.154]). Because the path Source Salience  $\rightarrow$  Credibility  $\rightarrow$  Creativity  $\rightarrow$   $A_{ad}$  is significant (Source Salience  $\rightarrow$  Credibility,  $\gamma = -.480$ ,  $p = .001$ ; Credibility  $\rightarrow$  Creativity,  $\gamma = .530$ ,  $p = .001$ ; Creativity  $\rightarrow$   $A_{ad}$ ,  $\gamma = .443$ ,  $p = .001$ ), Source Salience likely produces the indirect effect

through both mediators Credibility and Creativity, which are correlated. Therefore, H4 is partially supported.

**Figure 6-3:** Structural Equation Model: Effects of Source Salience on  $A_{ad}$  Mediated by Credibility and Creativity, Version Two (Unstandardised Estimates)



**Table 6-7:** Regression Weights, Direct, Indirect and Total Effects (Unstandardised Estimates)

Regression Weights	Estimates	SE	CR	BCa Bootstrap 95% CI		
				Lower	Upper	P
<i>Direct Effects</i>						
Source Salience → Credibility	−.480***	.143	−3.362	−.760	−.222	.001
Involvement → Credibility	−.280*	.143	−1.958	−.565	−.016	.038
Credibility → Creativity	.530***	.083	6.372	.282	.762	.001
Involvement → Creativity	.329	.173	1.907	−.022	.660	.068
Source Salience → Creativity	−.164	.176	−.934	−.486	.205	.381
Source Salience → A <sub>ad</sub>	−.232	.131	−1.772	−.489	.025	.075
Credibility → A <sub>ad</sub>	.473***	.067	7.098	.246	.689	.001
Creativity → A <sub>ad</sub>	.443***	.051	8.641	.299	.621	.001
<i>Indirect Effects</i>						

Involvement → A <sub>ad</sub>	-.052			-.340	.205	.634
Source Salience → A <sub>ad</sub>	-.412**			-.678	-.154	.003
<b>Total Effects</b>						
Involvement → A <sub>ad</sub>	-.052			-.340	.205	.634
Source Salience → A <sub>ad</sub>	-.644***			-.994	-.293	.001

Note: SE – standard error; CR – critical ratio; CI – confidence interval, Bootstrap Sampling = 2,000

\*\*\* p < .001

\*\* p < .01

\*p < .05

### 6.4.3 Moderated Mediation Analysis: Conditional Indirect Effects on A<sub>ad</sub>

To test H5, which predicts that the effect of Source Salience on Attitudes towards the ad through Credibility and Creativity will depend on Product Involvement, the conditional analysis was performed using the Process macros for SPSS (Field, 2013). To complete the investigation, model #8 was used (Hayes, 2013), A<sub>ad</sub> was entered as an outcome variable, Source Salience as a focal predictor, Credibility and Creativity as mediators and Product Involvement as a moderator. Product Category Involvement was included in the model as a covariate. The values were grand mean centred to transform variables into deviations around a fixed point (Field, 2013).

From the moderated mediation analysis, it was found that the indirect effect of Source Salience across dependent variables depends on Product Involvement (see Table 6-11). Thus, Source Salience has a significant negative indirect effect through both Credibility and Creativity on Attitude towards the Ad (A<sub>ad</sub>), conditional on Product Involvement as follows. Those participants exposed to a high involvement CGA decide that it is not credible, and consequently are estimated .411 points less than average in their A<sub>ad</sub> ( $\gamma = -.411$ ,  $p < .05$ , 95% BCa CI [-.782, -.152]). However, participants who were exposed to a low involvement CGA decide that it is not creative, and therefore are estimated .357 points less than average in their A<sub>ad</sub> ( $\gamma = -.357$ ,  $p < .05$ , 95% BCa CI [-.672, -.138]). Because the bootstrap confidence intervals do not contain zero values, these indirect effects are significant (Hayes, 2013), or the true effect size is significantly different from “no effect” (Field, 2013). In other words, there is a genuine moderated mediation effect. Therefore, H5 is partially supported.

**Table 6-8:** Conditional Indirect Effects of Ad Source (Source Salience) through Credibility and Creativity on  $A_{ad}$  at Values of the Moderator Product Involvement

Mediators at Values of the Moderator	Conditional Indirect Effects of Source Salience on Dependent Var	Boot SE	Bootstrap 95% BCa CI	
			Low	Upper
Attitude towards the Ad				
Mediator 1 – Credibility				
High involvement	-.411***	.158	-.782	-.152
Low involvement	-.073	.097	-.298	.094
Mediator 2 – Creativity				
High involvement	.007	.120	-.231	.241
Low involvement	-.357***	.136	-.672	-.138

Note: Bootstrap sampling for bias corrected bootstrap = 2,000; SE – Standard Error; CI – Confidence Interval

\*\*\*  $p < .001$

#### 6.4.4 Effects on Brand Evaluations

H6 proposes that under low involvement, consumer-generated advertising will produce more favourable Brand Evaluations than company ads. Hypothesis H6a, H6b and H6c suggest that when low involvement products are advertised, consumer-generated advertising will produce more favourable Attitudes towards the Brand ( $A_b$ ), higher Self-Brand Connection (SBC) and a more positive Emotional Response to Brand (ERB) respectively. To test these three hypotheses, MANOVA was conducted, in which the Advertising Source (Source Salience) and Product Involvement were entered as independent variables, and  $A_b$ , SBC and ERB as the dependent variables.

Box's Test showed a non-significant result, suggesting an equality of covariance matrices (Box's  $M = 28.651$ ,  $F(18, 147060.221) = 1.549$ ,  $p = .064$ ). Bartlett's Test of Sphericity was significant ( $\chi^2(5) = 140.054$ ,  $p < .001$ ), indicating that the residual covariance matrix was significantly different from an identity matrix. A non-significant Levene's test showed that error variances were equal across the groups:  $F_{ab}(3, 204) = .385$ ,  $p = .764$ ,  $F_{SBC}(3, 204) = 1.346$ ,  $p = .260$ ,  $F_{ERB}(3, 204) = .639$ ,  $p = .591$ . Therefore, the assumptions for MANOVA were met.

Using Wilks' lambda, there is no significant effect of interaction between Source Salience and Product Involvement on Brand Evaluations ( $\Lambda = .985$ ,  $F(3, 201) = 1.015$ ,  $p = .387$ ). However, according to Wilks' lambda, Source Salience has a significant effect on  $A_b$ , Self-Brand Connection and Emotional Response to Brand ( $\Lambda = .954$ ,  $F(3, 201) = 3.199$ ,  $p = .024$ ), which represents a small size effect (partial  $\eta^2 = .046$ ).

Separate univariate ANOVAs show that Source Salience significantly influences Attitude towards the brand ( $F(1, 203) = 6.522$ ,  $p = .011$ , partial  $\eta^2 = .031$ ); Self-Brand

Connection ( $F(1, 203) = 5.739$ ,  $p = .017$ , partial  $\eta^2 = .027$ ), and Emotional Response to Brand ( $F(1, 203) = 4.254$ ,  $p = .040$ , partial  $\eta^2 = .021$ ). This accounts for 5 per cent, 9.8 per cent and 14.1 per cent of variance respectively. All these effects are of small size (see Table 6-12).

Pairwise comparisons with the Sidak adjustment show that company ads ( $M_{\text{company}} = 4.832$ ) produce a more favourable Attitude towards the Brand than CGA ( $M_{\text{CGA}} = 4.377$ ). This difference, .454, is significant ( $p = .011$ ). Similarly, company ads ( $M_{\text{company}} = 2.514$ ) lead to higher Self-Brand Connection than CGA ( $M_{\text{CGA}} = 2.042$ ), with a significant mean difference (.472,  $p = .017$ ). Also, company ads ( $M_{\text{company}} = 4.566$ ) result in a slightly better Emotional Response to Brand compared to CGA ( $M_{\text{CGA}} = 4.305$ ), with a small, but significant mean difference (.261,  $p = .040$ ). Therefore, H6a, H6b and H6c are not supported (see Figure 6-5).

**Table 6-9: MANOVA Results: Effects on Attitude towards the Brand, Self-Brand Connection and Emotional Response to Brand**

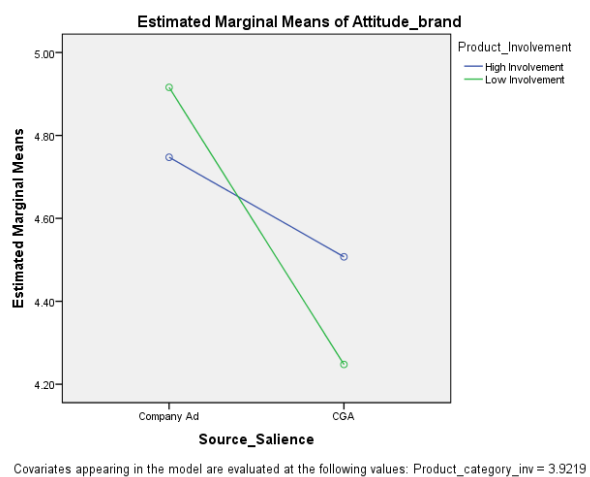
Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	$A_b$	17.744 <sup>a</sup>	4	4.436	2.698	.032	.050
	Self-Brand Connection	44.483 <sup>b</sup>	4	11.121	5.506	.000	.098
	Emotion Response Brand	27.794 <sup>c</sup>	4	6.949	8.342	.000	.141
Intercept	$A_b$	657.249	1	657.249	399.712	.000	.663
	Self-Brand Connection	72.972	1	72.972	36.128	.000	.151
	Emotion Response Brand	501.950	1	501.950	602.647	.000	.748
Product Category Involvement	$A_b$	4.748	1	4.748	2.888	.091	.014
	Self-Brand Connection	31.724	1	31.724	15.707	.000	.072
	Emotion Response Brand	21.343	1	21.343	25.625	.000	.112
Source Salience	$A_b$	10.724	1	10.724	6.522	<b>.011</b>	.031
	Self-Brand Connection	11.592	1	11.592	5.739	<b>.017</b>	.027
	Emotion Response Brand	3.544	1	3.544	4.254	<b>.040</b>	.021
Product Involvement	$A_b$	.106	1	.106	.064	.800	.000
	Self-Brand Connection	2.405	1	2.405	1.191	.276	.006
	Emotion Response Brand	1.910	1	1.910	2.294	.131	.011
Source Salience * Product Involvement	$A_b$	2.383	1	2.383	1.449	.230	.007
	Self-Brand Connection	.986	1	.986	.488	.486	.002
	Emotion Response Brand	2.401	1	2.401	2.882	.091	.014
Error	$A_b$	333.794	203	1.644			
	Self-Brand Connection	410.016	203	2.020			
	Emotion Response Brand	169.080	203	.833			
Total	$A_b$	4761.563	208				
	Self-Brand Connection	1534.020	208				

	Emotion Response Brand	4289.359	208				
	A <sub>b</sub>	351.538	207				
Corrected Total	Self-Brand Connection	454.498	207				
	Emotion Response Brand	196.874	207				

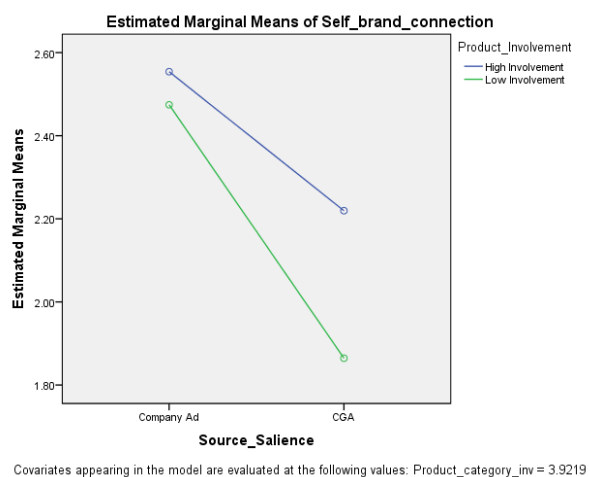
- a. R Squared = .050 (Adjusted R Squared = .032)
- b. R Squared = .098 (Adjusted R Squared = .080)
- c. R Squared = .141 (Adjusted R Squared = .124)

**Figure 6-4: Plots: Effects on Brand Evaluations**

#### Attitude towards the Brand

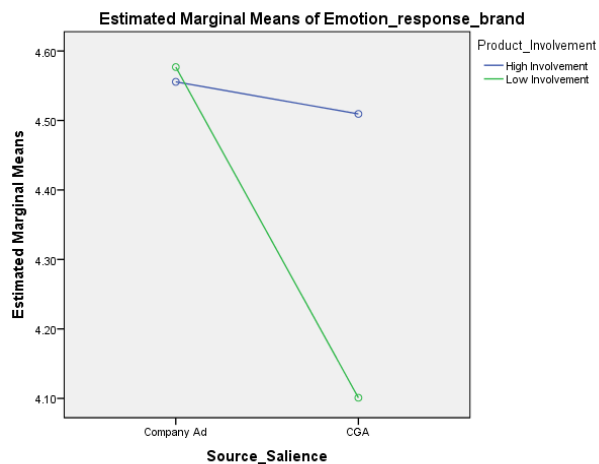


#### Self-Brand Connection





## Emotional Response to Brand



Covariates appearing in the model are evaluated at the following values: Product\_category\_inv = 3.9219

### 6.4.5 Effects on Behavioural Intentions

H7 predicts that consumer-generated advertising of low involvement products will produce stronger behavioural intentions than company advertising. Specifically, H7a and H7b propose that consumer-generated advertising of low involvement products will produce stronger Purchase Intentions and higher Likelihood to Share respectively, compared to company advertising. These hypotheses were tested using two two-way factorial ANOVAs, in which Advertising Source Salience and Product Involvement were entered as independent variables and Purchase Intention and Likelihood to Share were entered one at each time as the dependent variables.

#### *Likelihood to Share*

The preliminary analysis showed that the Levene's test for Likelihood to Share was significant,  $F(3, 204) = 4.834$ ,  $p = .003$ , suggesting unequal variances across groups. Because the assumption of homogeneity of variance was violated, robust results were obtained by using the 95 per cent bias-corrected and accelerated (BCa) bootstrap sampling (Field, 2013).

Results reveal there is a significant interaction effect of Ad Source (Source Salience) and Product Involvement on Likelihood to Share ( $F(1, 204) = 8.228$ ,  $p = .005$ , partial  $\eta^2 = .039$ , 95% BCa CI [-2.264, -.452]) (see Table 6-13). Specifically, the results show that under high involvement, consumer-generated advertising is more likely to be shared ( $M_{CGA} = 2.958$ ) than company advertising ( $M_{company} = 2.298$ ). Oppositely, under low involvement, company ads

stimulate stronger forwarding intentions ( $M_{\text{company}} = 2.551$ ) than consumer-generated ads ( $M_{\text{CGA}} = 1.878$ ) (see Figure 6-6). Therefore, H7b is partially confirmed.

**Table 6-10:** ANOVA Results: Effects on Likelihood to Share

Dependent Variable: Likelihood\_share

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	32.003 <sup>a</sup>	3	10.668	3.798	.011	.053
Intercept	1219.616	1	1219.616	434.214	.000	.680
Source Salience	.002	1	.002	.001	.978	.000
Product Involvement	8.889	1	8.889	3.165	.077	.015
Source Salience * Product Involvement	23.111	1	23.111	8.228	<b>.005</b>	.039
Error	572.993	204	2.809			
Total	1824.611	208				
Corrected Total	604.995	207				

a. R Squared = .053 (Adjusted R Squared = .039)

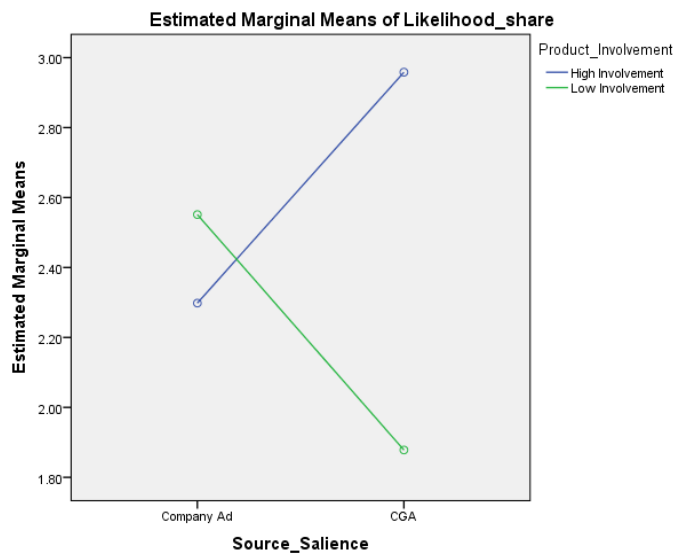
**Table 6-11:** Effects on Likelihood to Share, Bootstrap for Parameter Estimates

Dependent Variable: Likelihood\_share

Parameter	B	Bootstrap <sup>a</sup>				
		Bias	Std. Error	Sig. (2-tailed)	BCa 95% Confidence Interval	
					Lower	Upper
Intercept	1.878	.001	.163	.000	1.575	2.206
[Source Salience=0]	.673	-.001	.300	.030	.085	1.252
[Source Salience=1]	0	0	0		.	.
[Product Involvement=0]	1.080	.012	.315	.002	.435	1.760
[Product Involvement=1]	0	0	0		.	.
[Source Salience=0] *	-1.333	-.004	.468	<b>.005</b>	-2.264	-.452
[Product Involvement=0]						
[Source Salience=0] *	0	0	0		.	.
[Product Involvement=1]						
[Source Salience=1] *	0	0	0		.	.
[Product Involvement=0]						
[Source Salience=1] *	0	0	0		.	.
[Product Involvement=1]						

a. Unless otherwise noted, bootstrap results are based on 2000 bootstrap samples

**Figure 6-5:** Plot: Effects on Likelihood to Share



### Purchase Intentions

Levene's test for the variable Purchase Intention showed a not significant result, suggesting equality of error variances across the groups ( $F(3, 204) = 1.844, p = .140$ ). Therefore, an assumption of homogeneity of variance for the between-subjects factorial ANOVA was met.

There is a not significant interaction between Source Salience and Product Involvement on Purchase Intentions ( $F(1, 203) = .021, p > .05$ ). However, there is a significant main effect of Source Salience on Purchase Intentions ( $F(1, 203) = 8.127, p = .005, \eta_p^2 = .038$ ). Specifically, respondents demonstrate lower Purchase Intentions after viewing consumer-generated advertising ( $M_{CGA} = 2.449$ ) than after viewing company advertising ( $M_{company} = 2.913$ ). Using pairwise comparisons with Bonferroni adjustment, this mean difference, .463, is significant ( $p = .005$ ). Therefore, H7a is not supported.

**Table 6-12:** ANOVA Results: Effects on Purchase Intentions

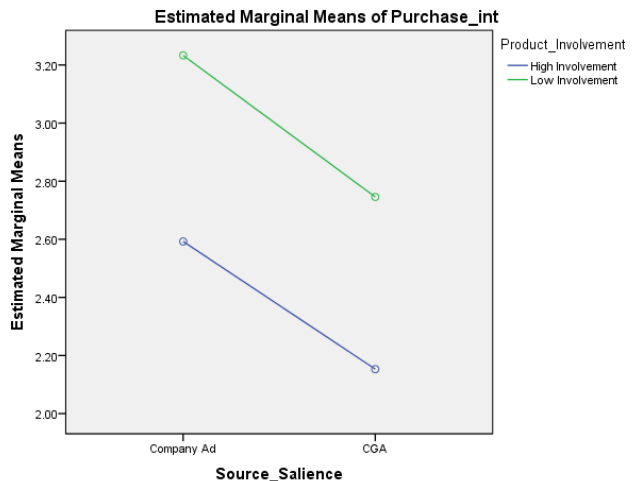
Dependent Variable: Purchase\_Intentions

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	39.443 <sup>a</sup>	4	9.861	7.179	.000	.124
Intercept	194.098	1	194.098	141.303	.000	.410
Product Category Inv	5.586	1	5.586	4.067	<b>.045</b>	.020
Source Salience	11.163	1	11.163	8.127	<b>.005</b>	.038
Involvement	19.380	1	19.380	14.109	<b>.000</b>	.065

Source Salienc*						
Involvement	.029	1	.029	.021	.884	.000
Error	278.847	203	1.374			
Total	1813.444	208				
Corrected Total	318.290	207				

a. R Squared = .124 (Adjusted R Squared = .107)

**Figure 6-6:** Plot: Effects on Purchase Intentions



Covariates appearing in the model are evaluated at the following values: Product\_category\_inv = 3.9219

#### 6.4.6 Effects on Brand Recall

H8 predicts that consumer-generated advertising of low involvement products will be easier to remember than company advertising. Specifically, H8a and H8b suggest that under low involvement, CGA will result in higher levels of Unaided and Aided Brand Recall. Memory effects were tested using MANOVA, where Ad Source (Source Salienc) and Product Involvement were entered as independent variables and Unaided and Aided Brand Recall as the dependent variables.

Box's test showed a non-significant result, suggesting an equality of covariance matrices (Box's  $M = 10.496$ ,  $F(9, 476911.331) = 1.146$ ,  $p = .326$ ). Levene's test was significant for both Unaided Brand Recall ( $p = .023$ ) and Aided Brand Recall ( $p < .001$ ), suggesting that error variances were unequal across the groups. Therefore, bootstrapping was performed for each univariate ANOVA.

Using Wilks' lambda, there is no significant multivariate effect on either Unaided or Aided Brand Recall ( $\Lambda = .974$ ,  $F(2, 203) = 2.712$ ,  $p = .069$ , partial  $\eta^2 = .026$ ). Univariate effects on Unaided Brand Recall are also found to be non-significant ( $p > .05$ ) (see Table 6-16). Therefore, H8a is not supported. A separate univariate ANOVA, however, shows a significant

interaction effect of Source Salience and Product Involvement on Aided Brand Recall ( $F(1, 204) = 4.929$ ,  $p = .023$ , partial  $\eta^2 = .023$ , BCa 95% CI [.035, .488]). Specifically, under low involvement, consumer-generated advertising ( $M_{CGA} = 1.788$ ) produces a higher level of Aided Brand Recall than company advertising ( $M_{company} = 1.673$ ). Yet under high involvement, company advertising is easier to remember ( $M_{company} = 1.827$ ) than consumer-generated advertising ( $M_{CGA} = 1.673$ ). Therefore, H8b is supported.

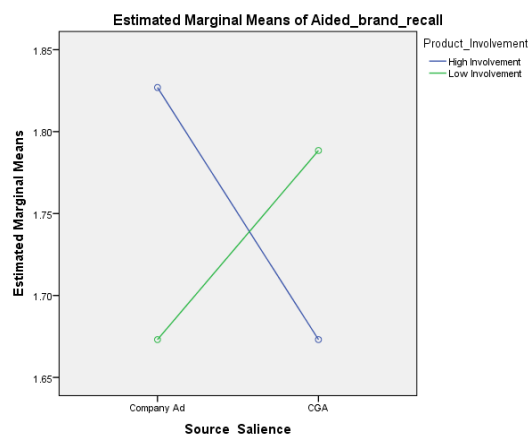
**Table 6-13:** MANOVA Results: Effects on Unaided and Aided Brand Recall

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	Unaided Brand Recall	1.630 <sup>a</sup>	3	.543	.877	.454	.013
	Aided Brand Recall	.981 <sup>b</sup>	3	.327	1.710	.166	.025
Intercept	Unaided Brand Recall	1285.043	1	1285.043	2075.162	.000	.910
	Aided Brand Recall	630.019	1	630.019	3295.485	.000	.942
Source Salience	Unaided Brand Recall	.120	1	.120	.194	.660	.001
	Aided Brand Recall	.019	1	.019	.101	.751	.000
Product Involvement	Unaided Brand Recall	.120	1	.120	.194	.660	.001
	Aided Brand Recall	.019	1	.019	.101	.751	.000
Source Salience *	Unaided Brand Recall	1.389	1	1.389	2.244	.136	.011
Product Involvement	Aided Brand Recall	.942	1	.942	4.929	<b>.028</b>	.024
Error	Unaided Brand Recall	126.327	204	.619			
	Aided Brand Recall	39.000	204	.191			
Total	Unaided Brand Recall	1413.000	208				
	Aided Brand Recall	670.000	208				
Corrected Total	Unaided Brand Recall	127.957	207				
	Aided Brand Recall	39.981	207				

a. R-Squared = .013 (Adjusted R Squared = -.002)

b. R-Squared = .025 (Adjusted R Squared = .010)

**Figure 6-7:** Plot: Effects on Aided Brand Recall



### 6.4.7 Effects on Entertainment Value

H9 predicts that consumer-generated advertising of low-involvement products will result in a higher Entertainment Value than that of company advertising. To test this hypothesis, ANOVA was used where Source Salience and Product Involvement were entered as independent variables and Entertainment Value as the dependent variable. The Levene's test for Entertainment Value was significant ( $p = .027$ ), indicating unequal variances across the groups. Hence, the 95 per cent bias-corrected and accelerated bootstrapping was used (number of bootstrap samples = 2,000).

Results reveal that there is a significant interaction effect of Source Salience and Product Involvement on Entertainment Value ( $F(1, 204) = 27.887$ ,  $p < .001$ , partial  $\eta^2 = .120$ , 95% BCa CI [-3.159, -1.441]). Specifically, it was found that under high involvement, CGA is perceived as more entertaining ( $M = 4.111$ ) than company ads ( $M = 2.500$ ). However, under low involvement, company ads appear to be more entertaining ( $M = 3.962$ ) than consumer-generated ads ( $M = 3.255$ ) (see Figure 6-20). Therefore, H9 is partially supported.

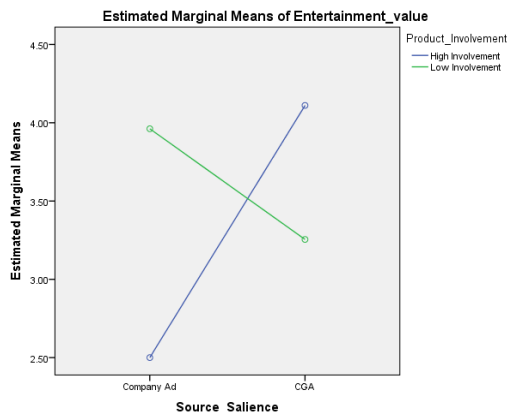
**Table 6-14:** ANOVA Results: Effects on Entertainment Value

Dependent Variable: Entertainment\_value

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	85.200 <sup>a</sup>	3	28.400	11.345	.000	.143
Intercept	2485.389	1	2485.389	992.869	.000	.830
Product Involvement	4.770	1	4.770	1.906	.169	.009
Source Salience	10.620	1	10.620	4.243	.041	.020
Product Involvement * Source Salience	69.809	1	69.809	27.887	.000	.120
Error	510.661	204	2.503			
Total	3081.250	208				
Corrected Total	595.861	207				

a. R Squared = .143 (Adjusted R Squared = .130)

**Figure 6-8:** Plots: Effect on Entertainment Value



## 6.5 CHAPTER SUMMARY

The first study shows that negative reactions are most likely to emerge in response to salient consumer-generated advertising when the consumer source is not revealed. The findings indicate that when the consumer source is not disclosed to the audience, amateur CGA does not demonstrate any performance advantages to traditional professional company advertising. In Study One, salient CGAs are evaluated lower than classical company ads regarding major Ad and Brand measures, such as Attitude towards the Ad, Attitude towards the Brand, Self-Brand Connection and Emotional Response to Brand. Furthermore, salient CGA is found to be less credible and produce lower Purchase Intentions than company ads. In addition, under high involvement, respondents perceive amateur CGA to be as creative as classical company advertising; however, under low involvement, respondents give higher ratings to the creativity of traditional company ads.

Mediation analysis shows that Source Salience has a negative indirect effect on  $A_{ad}$  through Credibility and Creativity. The indirect effect is found to be moderated by Product Involvement. Respondents exposed to a high involvement CGA consider that it is not credible and therefore it produces less favourable  $A_{ad}$ . Respondents exposed to a low involvement CGA believe that it is not creative and therefore it produces less favourable  $A_{ad}$ .

Nevertheless, salient consumer-generated advertising may be advantageous at least for two types of communication outcomes. Firstly, it was found that in high involvement conditions, CGA is perceived as more entertaining than traditional company ads. Secondly, CGAs are more likely to be electronically shared with others, also when involvement is high. Similar test results for these two variables could be explained by the fact that Entertainment Value represents one of the antecedents of Likelihood to Share (Taylor, et al., 2012). Finally, the findings demonstrate that consumer-generated advertising produces higher levels of Aided Brand Recall when involvement is low.

Overall, according to experimental Study One, the effects of salient consumer-generated advertising on ad and brand evaluations tend to be negative, provided that the consumer source has not been disclosed. However, CGA is likely to be more shareable and entertaining in high involvement conditions, and demonstrates higher brand recall levels in low involvement conditions.

**Table 6-15:** Summary of Hypotheses Testing, Study One

#	Hypothesis	Testing	Results
<b>A<sub>ad</sub>, Credibility and Creativity</b>			
<b>H1</b>	Under low involvement, consumer-generated advertising will produce more favourable Attitudes towards the Ad (A <sub>ad</sub> ) than company ads.	Not supported	CGA produces less favourable A <sub>ad</sub> than company advertising.
<b>H2</b>	In low involvement conditions, consumer-generated advertising will be perceived as more credible than company advertising.	Not supported	CGA is perceived as less credible than company advertising.
<b>H3</b>	Under low involvement, consumer-generated advertising will be perceived as more creative than company advertising.	Not supported	Under high involvement, CGA and company advertising are almost equally creative. Under low involvement, company advertising is perceived as more creative compared to CGA.
<b>H4</b>	Source Salience will have a positive indirect effect on A <sub>ad</sub> through Credibility and Creativity.	Partially supported	Source Salience has a negative indirect effect on A <sub>ad</sub> through serial mediators Credibility and Creativity.
<b>H5</b>	The effect of Source Salience on Attitude towards the ad through Credibility and Creativity will depend on Product Involvement.	Supported	Participants exposed to a high involvement CGA decide that it is not credible and therefore it produces less favourable A <sub>ad</sub> . Participants exposed to a low involvement CGA consider that it is not creative and therefore it produces less favourable A <sub>ad</sub> .
<b>H6 Brand Evaluations</b>			
H6a	Under low involvement, consumer-generated advertising will produce more favourable Attitudes towards the Brand (A <sub>b</sub> ) than company ads.	Not supported	CGA produces less favourable A <sub>b</sub> than company ads.
H6b	Under low involvement, consumer-generated advertising will produce more favourable Self-Brand Connection than company ads.	Not supported	CGA produces less favourable Self-Brand Connection than company ads.
H6c	Under low involvement, consumer-generated advertising will produce a more favourable Emotional response to Brand than company ads.	Not supported	CGA produces a less favourable Emotional Response to Brand than company ads.
<b>H7 Behavioural Intentions</b>			
H7a	Consumer-generated advertising of low involvement products will produce stronger Purchase Intentions than company advertising.	Not supported	CGA produces lower Purchase Intentions compared to company advertising.
H7b	Consumer-generated advertising of low involvement products will	Partially supported	Under high involvement, CGA is more likely to be shared than



	produce stronger Likelihood to Share than company advertising.		company advertising. However, under low involvement, company advertising is more likely to be shared than CGA.
<b>H8</b>	<i>Brand Recall</i>		
H8a	Consumer-generated advertising of low involvement products will produce higher Unaided Brand Recall.	Not supported	No significant effect
H8b	Consumer-generated advertising of low involvement products will produce higher Aided Brand Recall.	Supported	Under low involvement, consumer-generated advertising produces higher brand recall than company advertising. Whereas, under high involvement, company advertising leads to a higher level of brand recall than consumer-generated advertising.
	<i>Entertainment Value</i>		
H9	Consumer-generated advertising of low-involvement products will result in higher Entertainment value than that of company advertising.	Partially Supported	Under high involvement, CGA is perceived as more entertaining than company ads. However, under low involvement, company ads appeared to be more entertaining than CGA.

## **Chapter 7**

### **EXPERIMENTAL STUDY TWO**

#### **7.1 INTRODUCTION**

The first experiment presented in the previous chapter investigated the effects of consumer-generated advertising when the consumer source has not been revealed. It showed that negative reactions are most likely to emerge in response to salient consumer-generated advertising produced by amateurs. CGA, however, was found to demonstrate increased entertainment value and likelihood to share in high involvement conditions and higher levels of brand recall in low involvement conditions, compared to company advertising.

This chapter is devoted to the second experiment, which examines the responses to consumer-generated advertising after its source has been disclosed to the audience. Thus, this study uses consumer Source Salience as a focal predictor, and extends the results of the first experiment by introducing an additional moderator: Source Awareness. Participants were randomly exposed to one of three types of advertising source: consumer, company, or no source (control group). Overall, a between-subjects design included twelve experimental conditions. The same set of outcome variables was measured as in Study One.

#### **7.2 RESEARCH DESIGN AND PROCEDURE**

##### **7.2.1 Experimental Design**

Unlike in the first study, Study Two disclosed the advertising source prior to exposure. To manipulate Source Awareness, three categorical levels were assigned to this variable: consumer-generated advertising, company advertising and no identified source. Thus, Study Two uses a 3 x 2 x 2 between-subjects experimental design, in which Source Awareness (consumer-generated ads / company ads / no source indicated), Source Salience (professional-looking ads vs. amateur-looking ads) and Product Involvement (high vs. low) generate twelve experimental conditions (see Table 7-1).

**Table 7-1:** Experimental Design for Study Two

<b>Source Awareness</b>	<b>Source Salience</b>	<b>Product Involvement</b>	
		<i>High</i>	<i>Low</i>
<i>Consumer-Generated Ads</i>	<i>Professional ads</i>	Professional consumer-generated ad with a high involvement product	Professional consumer-generated ad with a low involvement product
<i>Company Ads</i>		Professional company ad with a high involvement product	Professional company ad with a low involvement product
<i>No Source</i>		Professional ad with a high involvement product, ad source is not disclosed	Professional ad with a low involvement product, ad source is not disclosed
<i>Consumer-Generated Ads</i>	<i>Amateur ads</i>	Amateur consumer-generated ad with a high involvement product	Amateur consumer-generated ad with a low involvement product
<i>Company Ads</i>		Amateur company ad with a high involvement product	Amateur company ad with a low involvement product
<i>No Source</i>		Amateur ad with a high involvement product, ad source is not disclosed	Amateur ad with a low involvement product, ad source is not disclosed

### 7.2.2 Stimulus Material

The second experiment uses four real TV ads for Chevrolet (cars) and Doritos (potato chips), which were created by consumers for advertising contests. Product Involvement was manipulated by displaying brands of high and low personal relevance (Celsi & Olson, 1988). Source Salience was manipulated by contrasting professionally executed and amateur ads. The salience of advertising sources was pre-tested, using a small panel of judges. After watching stimulus ads selected for the experiment, a group of participants confirmed that without knowing their source, two ads looked amateur and were associated with CGA, while two other ads looked professional and were associated with company advertising. Importantly, stimulus ads were conceptually similar, ensuring the sufficient control over experimental conditions.

Source Awareness was manipulated by introducing source information, stating: “this ad was created by a consumer who loves this product” prior to a CGA, or: “this ad was created by Frito Lay company / by Chevrolet company” prior to a company ad. Source information was

revealed before exposure to the advertisements, instead of after it, and this order was chosen based on research. In particular, studies on timing effects conclude that source identification introduced before the message is likely to have a more positive effect on persuasion than if it is introduced after the message (Mills & Harvey, 1972; Nan, 2009; Tormala, Briñol, & Petty, 2007; Ward & McGinnies, 1974).

### **7.2.3 Experimental Procedure**

In Study Two, the same recruitment approach and experimental procedures were used as those outlined for Study One (see 6.2.3). However, here respondents were provided with the source, and this information was disclosed before they were exposed to ads, as explained above.

## 7.3 DATA EXPLORATION

### 7.3.1 Sample Size and Composition

The initial sample consisted of 660 respondents; however, only 600 respondents returned useable questionnaires. Missing responses were managed using a mean replacement procedure for cases with missing values representing less than 10 per cent (Tabachnick & Fidell, 2013). That is, in Study Two, 50 participants were obtained per experimental condition. The sample consists of 239 males (39.8 per cent) and 361 females (60.2 per cent). The age of the participants range between 13 and 65 years old, with the majority being between 18 and 25 years old (59.0 per cent). The largest proportion of respondents is students (67.3 per cent), followed by professionals (13.0 per cent). More detailed demographic data are presented in Table 7-2.

**Table 7-2:** Respondents' Proportions for Demographic Variables, Study Two

<i>Variable</i>	<i>Category</i>	<i>Frequency</i>	<i>Proportion</i>
Gender	Female	361	60.2%
	Male	239	39.8%
Age	13-17	12	2.0%
	18-25	354	59.0%
	26-34	96	16.0%
	35-54	118	19.7%
	55-64	15	2.5%
	65 or over	5	.8%
Occupation	Management, professional, and related	78	13.0%
	Service	18	3.0%
	Sales and office	16	2.7%
	Farming, fishing, and forestry	3	.5%
	Construction, extraction, and maintenance	10	1.7%
	Production, transportation, and material moving	7	1.2%
	Government	7	1.2%
	Retired	7	1.2%
	Unemployed	12	2.0%
	Student	404	67.3%
	Other	38	6.3%
Income	Below \$20,000	368	61.3%
	\$20,000 - \$29,999	72	12.0%
	\$30,000 - \$39,999	33	5.5%
	\$40,000 - \$49,999	25	4.2%
	\$50,000 - \$59,999	20	3.3%
	\$60,000 - \$69,999	15	2.5%
	\$70,000 - \$79,999	17	2.8%
	\$80,000 - \$89,999	20	3.3%
	\$90,000 or more	30	5.0%
Education	Less than high school	7	1.2%

	High school	231	38.5%
	College	101	16.8%
	Bachelor's degree	115	19.2%
	Postgraduate Diploma	27	4.5%
	Master's degree	80	13.3%
	PhD	39	6.5%
Family Structure	Single without children	408	68.0%
	Single with children	27	4.5%
	Married without children	32	5.3%
	Married with children	80	13.3%
	Life partner without children	31	5.2%
	Life partner with children	22	3.7%

### 7.3.2 Descriptive Statistics

Table 7-4 presents descriptive statistics for the dependent variables, displaying values for the mean, 95 per cent confidence intervals, median, standard deviation, range and mode. Overall, Entertainment Value, Attitude towards the Brand and Emotional Response to Brand have the greatest means. Meanwhile, Product Category Involvement, Entertainment Value and Likelihood to Share exhibit the highest standard deviation, indicating a large spread of scores around the mean.

**Table 7-3:** Descriptive Statistics

Variable	Mean	95% Confidence Interval		Median	Std. Dev	Range	Mode
		Lower Bound	Upper Bound				
Attitude towards the Ad	3.8400	3.7333	3.9467	4.0000	1.3311	6.00	4.09
Credibility	3.6760	3.5829	3.7690	3.7143	1.1600	6.00	4.00
Creativity	3.7092	3.6111	3.8074	3.8182	1.2239	6.00	4.00
Entertainment Value	4.0108	3.8667	4.1550	4.2500	1.7982	6.00	1.00
Attitude towards the Brand	4.7042	4.5898	4.8186	4.7500	1.4268	6.00	4.00
Self-Brand Connection	2.4864	2.3679	2.6050	2.1429	1.4786	6.00	1.00
Emotional Response to Brand	4.4035	4.3190	4.4881	4.2500	1.0545	6.00	4.00
Product Category Involvement	3.3271	3.1821	3.4720	3.2500	1.8078	6.00	1.00
Likelihood to Share	2.8156	2.6721	2.9590	2.5000	1.7892	6.00	1.00
Purchase Intention	2.8311	2.7395	2.9227	3.0000	1.1429	4.00	3.00
Consumer Scepticism	3.2006	3.0933	3.3078	3.2222	1.3376	6.00	4.00

\* Multiple modes exist. The smallest value is shown

To obtain descriptive statistics separately for consumer-generated advertising, advertising with no source and company advertising, the file was split by type of ad source (Source Awareness). On average, CGA shows higher mean scores on most dependent

variables than company advertising and advertising with no source introduction. Thus, overall, CGA is estimated to be higher on Attitude towards the ad, Credibility, Creativity, Entertainment Value, Attitude towards the Brand, Self-Brand Connection, Emotional Response to Brand and Purchase Intentions. According to the descriptive statistics, the company ads have higher scores for Likelihood to Share (see Table 7-5).

**Table 7-4: Descriptive Statistics by Ad Source**

Source Awareness		N	Mean	Std. Deviation
No source	Attitude towards the Ad	200	3.7936	1.34314
	Credibility	200	3.6207	1.17723
	Creativity	200	3.6618	1.20143
	Entertainment Value	200	4.0038	1.83018
	Attitude towards the Brand	200	4.6438	1.34861
	Self-Brand Connection	200	2.4786	1.59868
	Emotional Response to Brand	200	4.3538	1.08880
	Likelihood to Share	200	2.7383	1.75491
	Purchase Intention	200	2.7367	1.15063
CGA	Attitude towards the Ad	200	3.9086	1.29814
	Credibility	200	3.7246	1.12771
	Creativity	200	3.7459	1.19582
	Entertainment Value	200	4.1475	1.79950
	Attitude towards the Brand	200	4.8100	1.41316
	Self-Brand Connection	200	2.5229	1.41062
	Emotional Response to Brand	200	4.4381	1.00282
	Likelihood to Share	200	2.8233	1.80557
	Purchase Intention	200	2.9133	1.11547
Company ads	Attitude towards the Ad	200	3.8177	1.35536
	Credibility	200	3.6825	1.17783
	Creativity	200	3.7200	1.27723
	Entertainment Value	200	3.8813	1.76349
	Attitude towards the Brand	200	4.6587	1.51504
	Self-Brand Connection	200	2.4579	1.42565
	Emotional Response to Brand	200	4.4188	1.07337
	Likelihood to Share	200	2.8850	1.81265
	Purchase Intention	200	2.8433	1.16093

## 7.4 RESULTS

The data were coded to generate three experimental treatments: Source Awareness (0 = no source, 1 = CGA and 2 = Company ads), Source Salience (0 = Amateur-looking ads, 1 = Professional-looking ads) and Product Involvement (0 = High Involvement, 1 = Low Involvement). Table 7-8 summarises the hypotheses developed for Study Two.

**Table 7-5: Hypotheses for Study Two**

#	Hypothesis
	<i>A<sub>ad</sub>, Credibility and Creativity</i>
<b>H1</b>	When involvement is low, disclosing that an ad is consumer-generated will enhance Attitude towards the ad, provided that the ad is professionally executed.
<b>H2</b>	When involvement is low and the ad is professionally executed, disclosing that an ad is consumer-generated will enhance its Credibility relative to a control condition in which no information about the ad source is provided.
<b>H3</b>	When involvement is low and the ad is professionally executed, disclosing that an ad is consumer-generated will enhance its Creativity relative to a control condition in which no information about the ad source is provided.
<b>H4</b>	Source Salience and Source Awareness will have a positive indirect effect on A <sub>ad</sub> through Credibility and Creativity.
<b>H5</b>	The effect of Source Awareness on Attitude towards the ad through Credibility and Creativity will depend on Product Involvement and Source Salience.
<b>H6</b>	<i>When involvement is low, disclosing that an ad is consumer-generated will enhance Brand evaluations, provided that the ad is professionally executed</i>
H6a	When involvement is low, disclosing that an ad is consumer-generated will enhance Attitude towards the Brand, provided that the ad is professionally executed.
H6b	When involvement is low, disclosing that an ad is consumer-generated will enhance Self-Brand Connection, provided that the ad is professionally executed.
H6c	When involvement is low, disclosing that an ad is consumer-generated will enhance Emotional Response to Brand, provided that the ad is professionally executed.
<b>H7</b>	<i>When involvement is low and the ad is professionally executed, disclosing that an ad is consumer-generated will produce stronger behavioural intentions relative to a control condition in which no information about the ad source is provided.</i>
H7a	When involvement is low and the ad is professionally executed, disclosing that an ad is consumer-generated will produce stronger Purchase Intentions relative to a control condition in which no information about the ad source is provided.
H7b	When involvement is low and the ad is professionally executed, disclosing that an ad is consumer-generated will produce stronger Likelihood to Share relative



	to a control condition in which no information about the ad source is provided.
<b>H8</b>	<i>Consumer-generated advertising of low involvement products will be better memorised than company advertising.</i>
H8a	Consumer-generated advertising of low involvement products will produce higher Unaided Brand Recall.
H8b	Consumer-generated advertising of low involvement products will produce higher Aided Brand Recall.
	<i>Entertainment Value</i>
H9	When involvement is low, disclosing that an ad is consumer-generated will enhance its Entertainment Value, provided that the ad is professionally executed.

### Manipulation Checks

To check whether the manipulation of Product Involvement was successful, participants were asked to answer a question about their product category involvement for cars and potato chips depending on the experimental condition. As expected, ANOVA shows that product category involvement is significantly higher for cars ( $M = 3.728$ ) than for chips ( $M = 2.927$ ) ( $F(1, 598) = 30.907, p < .001, \eta_p^2 = .049$ ).

To test Source Salience manipulation, the respondents were asked to rate a stimulus advertisement from 1 to 5 (1 = “bad”, 5 = “excellent”). The ANOVA indicates that Source Salience produces a significant difference in overall ad evaluation. Thus, professional-looking ads ( $M = 3.477$ ) are preferred to amateur-looking ads ( $M = 2.880$ ) ( $F(1, 598) = 56.171, p < .001, \eta_p^2 = .086$ ). Therefore, manipulation of Source Salience was successful.

## 7.4.1 Effects on Attitude towards the Ad and its Components

H1 proposes that when involvement is low, disclosing that an ad is consumer-generated will enhance ad and brand evaluations, provided that the ad is professionally produced. This hypothesis is tested by analysis of variance (ANOVA) where Source Awareness, Product Involvement and Source Salience were used as independent variables and Attitude towards the Ad ( $A_{ad}$ ) as the independent variable.

Levene’s test showed a significant result ( $p = .018$ ), indicating that variances across the groups were unequal. Therefore, bias-accelerated bootstrapping with a 95 per cent confidence interval was performed using 2,000 samples. The factorial between-subjects ANOVA test shows that Source Awareness has no significant effect on Attitude towards the Ad ( $A_{ad}$ ). However, the findings indicate that  $A_{ad}$  is significantly influenced by an interaction of

Source Salience and Product Involvement ( $F(1, 588) = 8.616, p = .006$ , partial  $\eta^2 = .014$ , BCa 95% CI [-1.033, -.232]). Specifically, the results reveal that under high involvement, professional-looking ads produce more favourable  $A_{ad}$  ( $M_{prof} = 4.290$ ) compared to amateur-looking ads ( $M_{amateur} = 3.454$ ). Similarly, under low involvement, professional-looking ads also produce slightly more positive  $A_{ad}$  ( $M_{prof} = 3.915$ ) compared to amateur-looking ads ( $M_{amateur} = 3.701$ ).

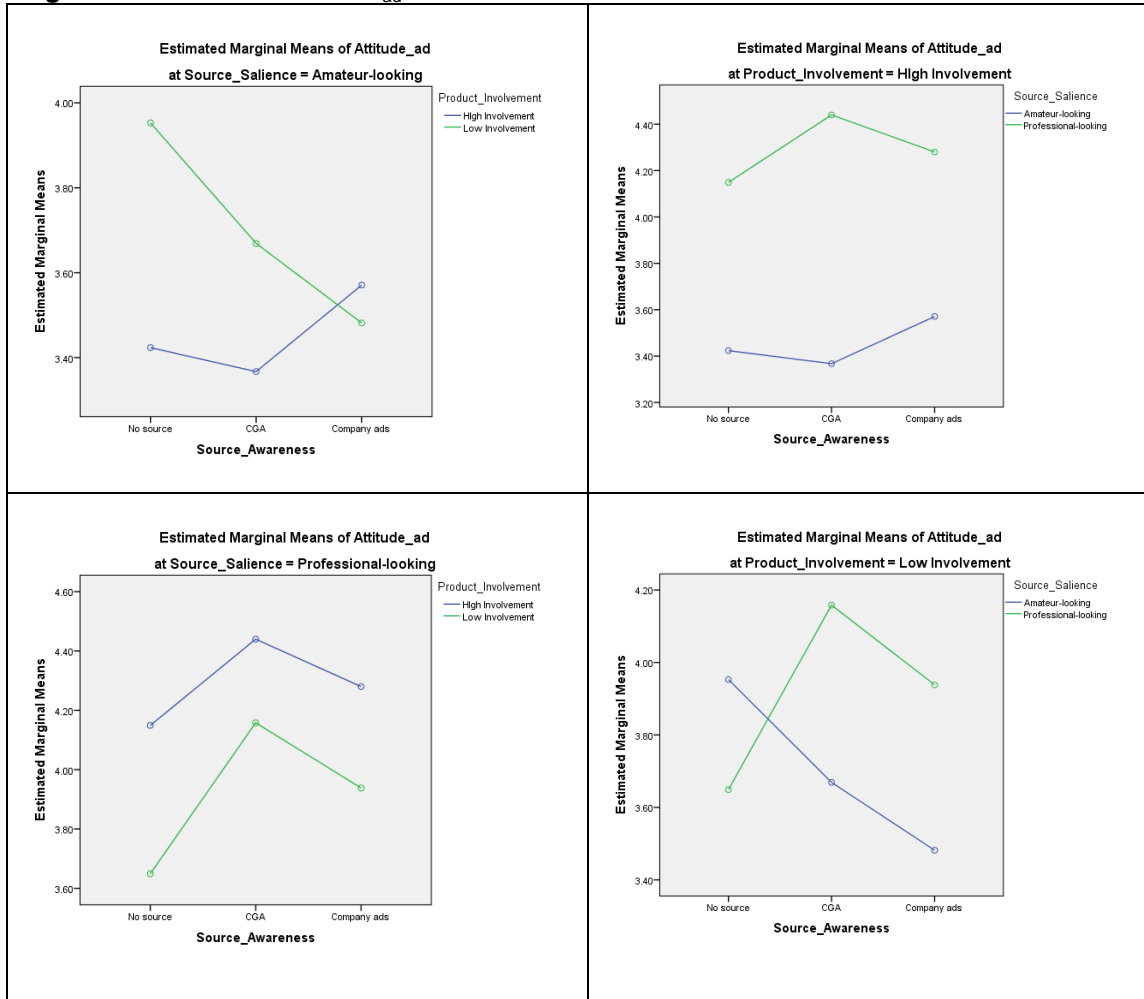
**Table 7-6:** ANOVA Results: Effects on  $A_{ad}$

Dependent Variable: Attitude\_ad

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	71.796 <sup>a</sup>	11	6.527	3.878	.000	.068
Intercept	8847.360	1	8847.360	5256.983	.000	.899
Source Awareness	1.471	2	.736	.437	.646	.001
Product Involvement	.607	1	.607	.361	.548	.001
Source Salience	41.320	1	41.320	24.552	.000	.040
Source Awareness * Product Involvement	1.729	2	.865	.514	.599	.002
Source Awareness * Source Salience	8.374	2	4.187	2.488	.084	.008
Product Involvement * Source Salience	14.500	1	14.500	8.616	<b>.003</b>	.014
Source Awareness * Product Involvement * Source Salience	3.794	2	1.897	1.127	.325	.004
Error	989.588	588	1.683			
Total	9908.744	600				
Corrected Total	1061.384	599				

a. R Squared = .068 (Adjusted R Squared = .050)

**Figure 7-1: Plots: Effects on  $A_{ad}$**



### *Affective and Cognitive Components of $A_{ad}$*

In order to further explore the effects of Source Awareness on Attitude towards the ad, analysis of variance was performed for the affective and cognitive components of  $A_{ad}$ . To do so,  $A_{ad}$  scale was divided into component subscales. Based on the results of factor analysis, two subscales were extracted: the Affective component of  $A_{ad}$  and Cognitive component of  $A_{ad}$ , which loaded as two separate factors (see section 7.3.2). Therefore, the Affective  $A_{ad}$  subscale included six items (AA1-AA4, AA10 and AA11), and the Cognitive  $A_{ad}$  subscale included five items (AA5-AA9). The skewness and kurtosis values showed that the obtained subscales do not substantially deviate from normal distribution (see Table 7-10). The  $A_{ad}$  components were found to show high internal reliability: their Cronbach's Alpha values were .957 for Affective  $A_{ad}$  and .911 for Cognitive  $A_{ad}$ .

To increase internal reliability for Cognitive  $A_{ad}$ , two items were removed from the scale: the 'Informative/Uninformative' item (AA7) and the 'Making me curious/Not making me curious' item (AA9). The resulting subscale included three items: 'Important/Not Important'

(AA5), 'Helpful/Not Helpful' (AA6) and 'Useful/Useless' (AA8). The distribution of the new version of Cognitive  $A_{ad}$  subscale was within a normal range (skewness: .685, kurtosis: -.117) and demonstrated high reliability (Cronbach's  $\alpha = .913$ ).

The subcomponent analysis for  $A_{ad}$  was performed using multivariate analysis of variance (MANOVA), in which Source Awareness, Source Salience and Product Involvement were used as independent variables and Affective  $A_{ad}$  and Cognitive  $A_{ad}$  as the dependent variables. Product Category Involvement was entered as a covariate.

**Table 7-7:** Discriptive Statistics for Subscales of  $A_{ad}$

	<i>Affective <math>A_{ad}</math></i>	<i>Cognitive <math>A_{ad}</math> 5 items</i>	<i>Cognitive <math>A_{ad}</math> 3 items</i>
Mean	4.6903	2.8197	2.7272
Median	5.0000	2.6000	2.3333
Std. Deviation	1.5967	1.3825	1.4020
Skewness	-.567	.617	.685
Kurtosis	-.584	-.185	-.117
Cronbach's $\alpha$	.957	.911	.913

Box's M plot showed significant results (Box's M = 51.573, F (33, 732711.075) = 1.538,  $p = .025$ ), indicating that the observed covariance matrices of the dependent variables were unequal across the groups. Therefore, only separate univariate ANOVAs were interpreted. Levene's test was significant for Affective  $A_{ad}$  ( $p = .016$ ) and non-significant for Cognitive  $A_{ad}$  ( $p = .179$ ), indicating heterogeneity of variance for the affective component, which required bootstrapping (number of bootstrap samples = 2,000).

ANOVA performed for the Affective component of  $A_{ad}$  does not detect the expected between-groups difference, and the results are similar to those obtained with the full scale of  $A_{ad}$ . These findings similarly show a main significant effect of Source Salience on Affective  $A_{ad}$  ( $F(1, 587) = 40.800$ ,  $p = .015$ ,  $\eta_p^2 = .065$ , BCa 95% CI [-.810, -.107]), as well as an interaction of Product Involvement and Source Salience ( $F(1, 587) = 7.143$ ,  $p = .008$ ,  $\eta_p^2 = .012$ , BCa 95% CI [-1.144, -.155]). In particular, it was found that professionally produced advertising causes more favourable Affective  $A_{ad}$  ( $M_{\text{prof high}} = 5.242$ ,  $M_{\text{prof low}} = 4.926$ ) than amateur advertising ( $M_{\text{amateur high}} = 4.123$ ,  $M_{\text{prof low}} = 4.470$ ).

A between-subjects factorial ANOVA test performed for the Cognitive component of  $A_{ad}$  identifies a significant interaction between all three independent variables: Source

Awareness, Product Involvement and Source Salience ( $F(2, 587) = 3.191, p < .05$ ), representing a small effect  $\eta_p^2 = .011$ . The findings are as follows.

### *Source Effects*

According to the profile plots, under low involvement, professional-looking consumer-generated ads and professional-looking company ads produce the same Cognitive  $A_{ad}$  ( $M_{CGA} = 2.900, M_{company} = 2.896$ ), which is substantially higher than Cognitive  $A_{ad}$  produced by professional advertising with no source indicated ( $M_{no\ source} = 2.385$ ). In high involvement conditions, professional-looking CGA has a slightly more positive effect on Cognitive  $A_{ad}$  ( $M_{CGA} = 3.016$ ) than both professional-looking company ads ( $M_{company} = 2.864$ ) and professional ads without source identification ( $M_{no\ source} = 2.896$ ). Thus, CGA might be more effective than ads with no source identification when involvement is low and CGA looks professional.

Amateur CGA is not found to have any performance advantages. Thus, in high involvement conditions, Cognitive  $A_{ad}$  of amateur company ads ( $M_{company} = 2.703$ ) exceeds Cognitive  $A_{ad}$  of amateur consumer-generated ads ( $M_{CGA} = 2.410$ ) and high involvement amateur ads without a source ( $M_{no\ source} = 2.442$ ). Under low involvement, amateur CGA produces significantly less favourable Cognitive  $A_{ad}$  ( $M_{CGA} = 2.675$ ) than advertising with no source indicated ( $M_{no\ source} = 3.060$ ). Moreover, amateur consumer-generated advertising always demonstrates a less positive effect ( $M_{high\ inv} = 2.410, M_{low\ inv} = 2.675$ ) than professional consumer-generated advertising across all experimental conditions ( $M_{high\ inv} = 3.016, M_{low\ inv} = 2.900$ ).

### *Amateur Advertising*

Amateur-looking advertising is likely to result in more positive Cognitive  $A_{ad}$  when involvement is low and advertising source is not disclosed. That is, in low involvement conditions, amateur-looking advertising with no source produces significantly more positive Cognitive  $A_{ad}$  ( $M_{no\ source} = 3.060$ ) than both amateur consumer-generated ads ( $M_{CGA} = 2.675$ ) and amateur-looking company ads ( $M_{company} = 2.479$ ) as well as professional-looking consumer-generated ads ( $M_{CGA} = 2.900$ ) and professional company ads ( $M_{company} = 2.896$ ). However, when involvement is high, amateur-looking advertising produces less favourable Cognitive  $A_{ad}$  ( $M_{no\ source} = 2.442, M_{company} = 2.703, M_{CGA} = 2.410$ ) than professional advertising at any source ( $M_{no\ source} = 2.896, M_{company} = 2.864, M_{CGA} = 3.016$ ). However, under high involvement, amateur ads are found to be more effective only when they are attributed to the company source ( $M_{company} = 2.703$ ) compared to other amateur ads ( $M_{CGA} = 2.410, M_{no\ source} = 2.442$ ).

### Indication of Consumer Source in an Ad

Based on the findings, the consumer source should be indicated only in professional-looking CGAs. Under low involvement, disclosure of the consumer source in professional CGA will create a more substantial positive difference with the control group ( $M_{\text{CGA}} = 2.900$ ,  $M_{\text{no source}} = 2.385$ ); however, under higher involvement, disclosure of the consumer source will result in a very small difference compared to advertising with no source ( $M_{\text{CGA}} = 3.016$ ,  $M_{\text{no source}} = 2.896$ ). Importantly, introducing the consumer source will decrease Cognitive  $A_{\text{ad}}$  of amateur CGAs ( $M_{\text{CGA}} = 2.675$ ), which should be broadcasted without source identification ( $M_{\text{no source}} = 3.060$ ).

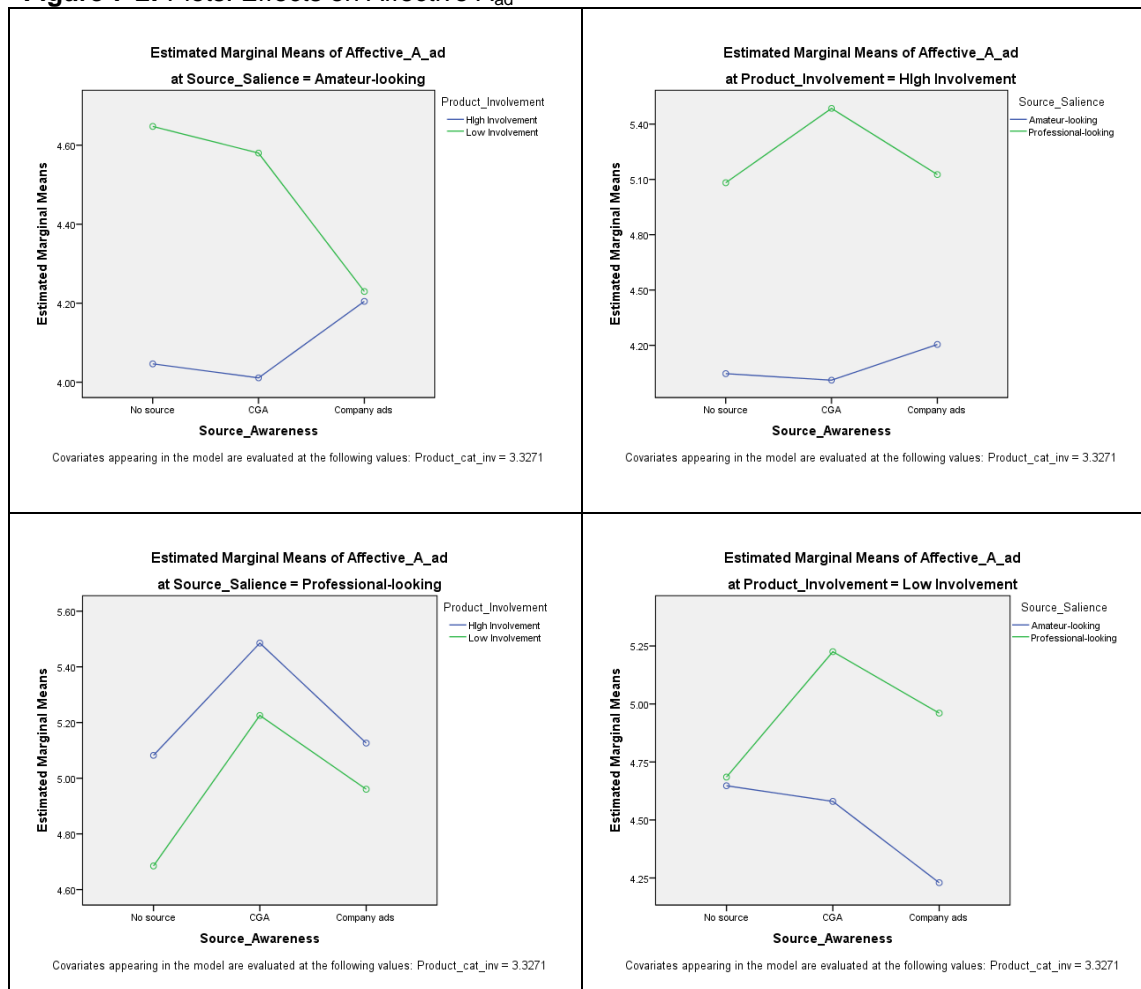
**Table 7-8: MANOVA Results: Effects on Affective and Cognitive  $A_{\text{ad}}$**

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	Affective $A_{\text{ad}}$	133.464 <sup>a</sup>	12	11.122	4.685	.000	.087
	Cognitive $A_{\text{ad}}$	77.116 <sup>b</sup>	12	6.426	3.428	.000	.065
Intercept	Affective $A_{\text{ad}}$	2603.815	1	2603.815	1096.785	.000	.651
	Cognitive $A_{\text{ad}}$	623.231	1	623.231	332.473	.000	.362
Product Cat Inv	Affective $A_{\text{ad}}$	6.267	1	6.267	2.640	.105	.004
	Cognitive $A_{\text{ad}}$	45.785	1	45.785	24.425	.000	.040
Source Awareness	Affective $A_{\text{ad}}$	5.495	2	2.747	1.157	.315	.004
	Cognitive $A_{\text{ad}}$	.315	2	.158	.084	.919	.000
Product Involvement	Affective $A_{\text{ad}}$	.548	1	.548	.231	.631	.000
	Cognitive $A_{\text{ad}}$	.016	1	.016	.008	.927	.000
Source Salience	Affective $A_{\text{ad}}$	96.860	1	96.860	40.800	.000	.065
	Cognitive $A_{\text{ad}}$	5.837	1	5.837	3.114	.078	.005
Source Awareness * Product Involvement	Affective $A_{\text{ad}}$	1.387	2	.693	.292	.747	.001
	Cognitive $A_{\text{ad}}$	.865	2	.432	.231	.794	.001
Source Awareness * Source Salience	Affective $A_{\text{ad}}$	6.857	2	3.429	1.444	.237	.005
	Cognitive $A_{\text{ad}}$	7.520	2	3.760	2.006	.135	.007
Product Involvement * Source Salience	Affective $A_{\text{ad}}$	16.958	1	16.958	7.143	.008	.012
	Cognitive $A_{\text{ad}}$	6.563	1	6.563	3.501	.062	.006
Source Awareness * Product Involvement * Source Salience	Affective $A_{\text{ad}}$	4.503	2	2.252	.948	.388	.003
	Cognitive $A_{\text{ad}}$	11.964	2	5.982	3.191	.042	.011
Error	Affective $A_{\text{ad}}$	1393.563	587	2.374			
	Cognitive $A_{\text{ad}}$	1100.351	587	1.875			
Total	Affective $A_{\text{ad}}$	14726.250	600				
	Cognitive $A_{\text{ad}}$	5640.111	600				

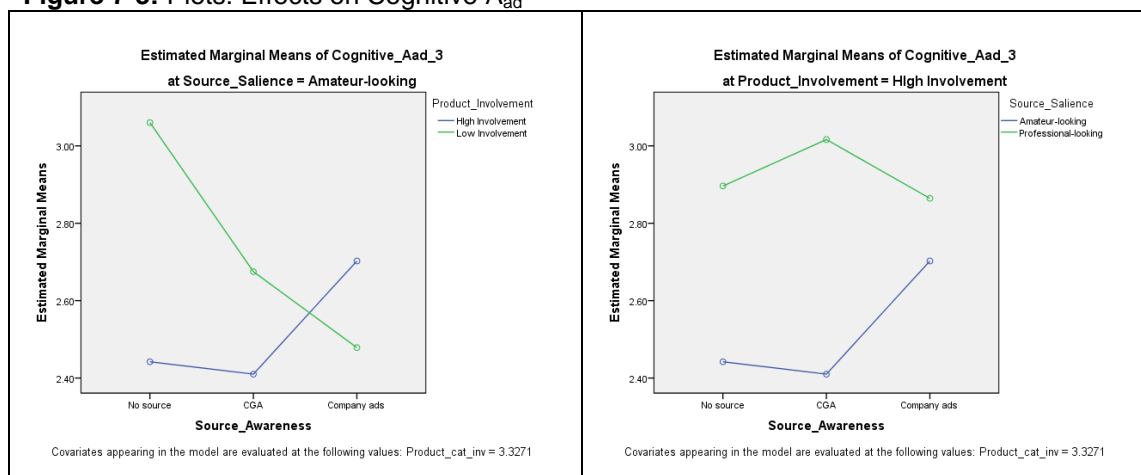
Corrected Total	Affective A <sub>ad</sub>	1527.027	599				
	Cognitive A <sub>ad</sub>	1177.466	599				

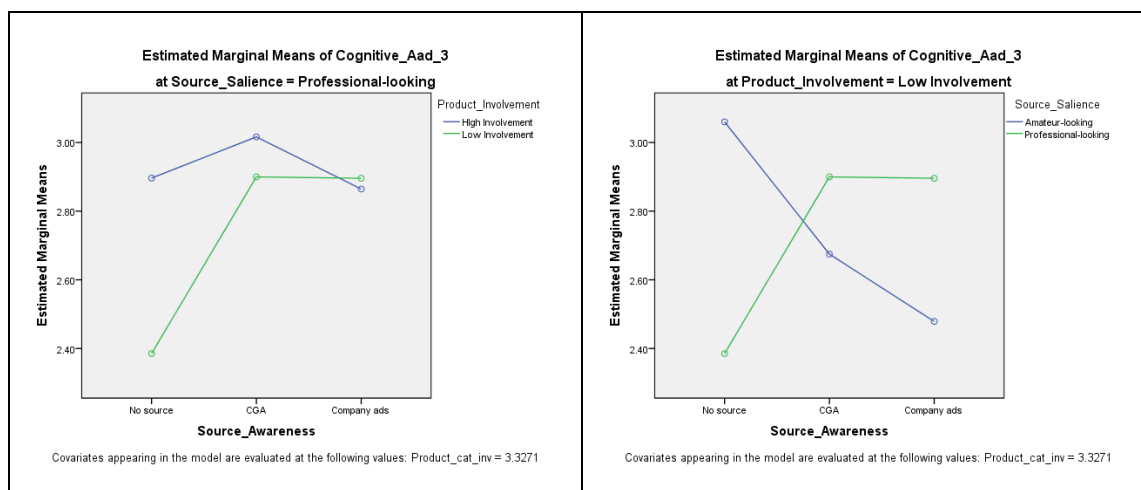
- a. R Squared = .087 (Adjusted R Squared = .069)  
b. R Squared = .065 (Adjusted R Squared = .046)

**Figure 7-2: Plots: Effects on Affective A<sub>ad</sub>**



**Figure 7-3: Plots: Effects on Cognitive A<sub>ad</sub>**





## 7.4.2 Effects on Credibility and its Components

H2 predicts that when involvement is low and the ad is professionally produced, disclosing that an ad is consumer-generated will enhance its credibility relative to a control condition in which no information about the ad source is provided. To test this hypothesis a three-way ANOVA was conducted in which Source Awareness, Product Involvement and Source Salience were used as independent variables and Credibility as the dependent variable.

Levene's test was insignificant ( $p = .157$ ), and hence the assumption of homogeneity of variance was met. The initial results suggest that Source Awareness did not have any significant effect on Credibility. Instead, Credibility is affected by a two-way interaction between Product Involvement and Source Salience ( $F(1, 587) = 32.293, p < .001, \eta_p^2 = .052$ ). Specifically, it was found that high involvement professional-looking advertising is more credible ( $M_{\text{high inv}} = 4.565$ ) than low involvement professional-looking advertising ( $M_{\text{low inv}} = 3.566$ ).

**Table 7-9: ANOVA Results: Effects on Credibility**

Dependent Variable: Credibility

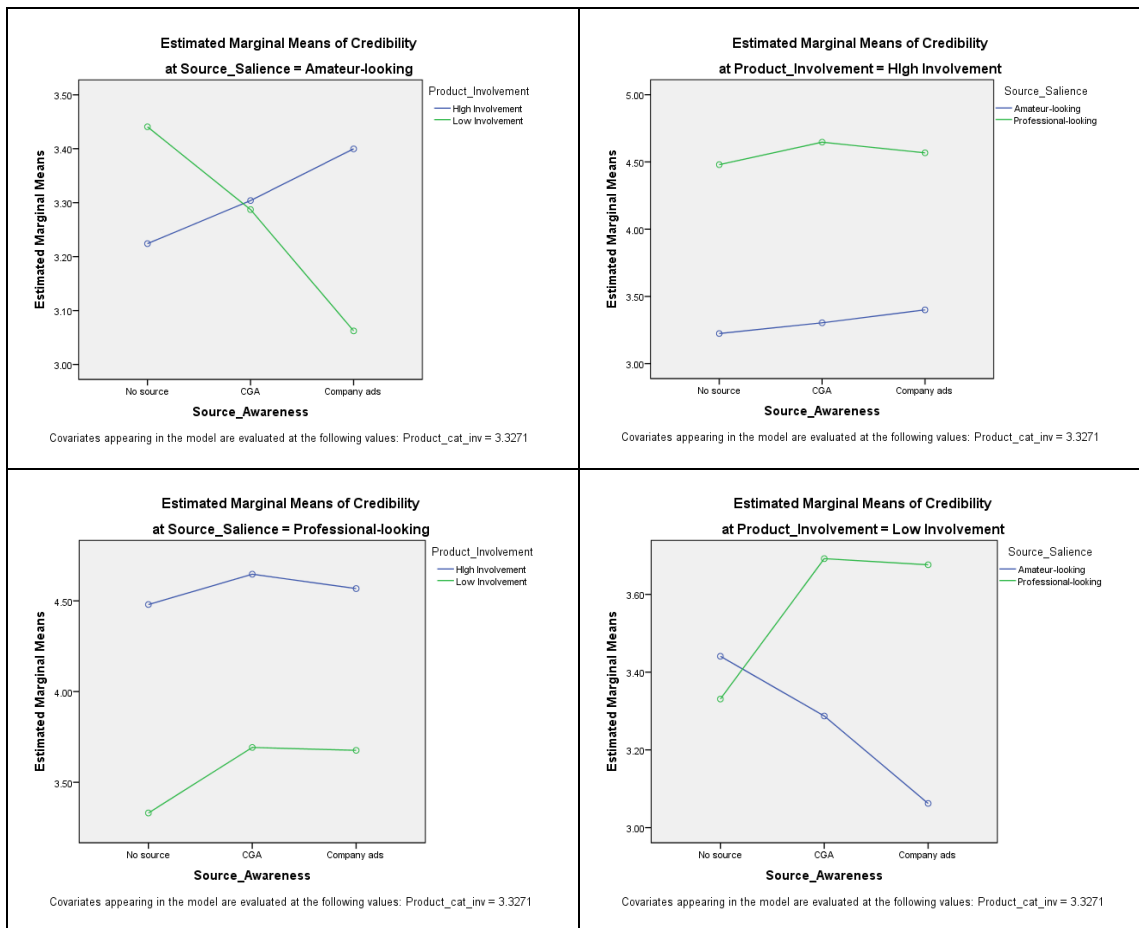
Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	187.826 <sup>a</sup>	12	15.652	14.862	.000	.233
Intercept	1517.784	1	1517.784	1441.182	.000	.711
Product Category	9.787	1	9.787	9.293	.002	.016
Involvement	1.291	2	.645	.613	.542	.002
Source Awareness	38.844	1	38.844	36.883	.000	.059
Source Salience	90.180	1	90.180	85.629	.000	.127



Source Awareness *	.650	2	.325	.309	.735	.001
Product Involvement						
Source Awareness *	3.193	2	1.597	1.516	.220	.005
Source Salience						
Product Involvement *	34.010	1	34.010	32.293	.000	.052
Source Salience						
Source Awareness *						
Product Involvement *	4.108	2	2.054	1.950	.143	.007
Source Salience						
Error	618.200	587	1.053			
Total	8913.602	600				
Corrected Total	806.026	599				

a. R Squared = .233 (Adjusted R Squared = .217)

**Figure 7-4: Plots: Effects on Credibility**



### *Attractiveness, Expertise and Trustworthiness Components of Credibility*

To perform an in-depth analysis, three component subscales were extracted from the Credibility scale: Attractiveness, Trustworthiness and Expertise. Based on the literature

(Ohanian, 1990) and the results of factor analysis (see 7.3.2), the Attractiveness component included five items (C1-C5), Trustworthiness included four items (C7-C10) and Expertise included five items (C11-C15).

Further scale refinement to improve reliability resulted in the 'Sexy / Not Sexy' item (C5) being removed from the Attractiveness component. The resulting subscale included four items (C1-C4): Attractive/Unattractive, Classy/Not classy, Beautiful/Ugly and Elegant/Plain. The distribution of this new version of the Attractiveness subscale was normal (skewness: .208, kurtosis: -.487) and showed high reliability (Cronbach's  $\alpha$  = .906). The data for other component subscales were also checked for distribution using scores for skewness and kurtosis, and tested for reliability using a Cronbach's Alpha procedure (see Table 7-13). To analyse the effects on the Credibility components, MANOVA was performed where Source Awareness, Source Salience and Product Involvement were used as independent variables and Attractiveness, Expertise and Trustworthiness as the dependent variables.

**Table 7-10:** Descriptive Statistics for Subscales of Credibility

	<i>Attractiveness</i>	<i>Trustworthiness</i>	<i>Expertise</i>
Mean	3.7233	3.9346	3.6173
Median	3.7500	4.0000	3.8000
Std. Deviation	1.4511	1.2250	1.4265
Skewness	.208	-.103	.042
Kurtosis	-.487	.381	-.350
Cronbach's $\alpha$	.906	.911	.938

Box's Test showed a significant result (Box's  $M$  = 104.458,  $F$  (66, 371260.58) = 1.545,  $p$  = .003), meaning that the assumption of equality of covariance matrices was not met. Hence, it was decided that only separate univariate ANOVAs would be interpreted from the MANOVA's output. Levene's test was insignificant for all three dependent variables of Attractiveness ( $p$  = .299), Trustworthiness ( $p$  = .359) and Expertise ( $p$  = .140), indicating homogeneity of variance.

A univariate ANOVA performed for the Attractiveness component of Credibility reveals a small but significant interaction between Ad Source Awareness, Product Involvement and Source Salience ( $F$  (2, 587) = 3.265,  $p$  < .05,  $\eta_p^2$  = .011), with the main effects of Source Salience ( $F$  (1, 587) = 170.238,  $p$  < .001,  $\eta_p^2$  = .225) and Product Involvement ( $F$  (1, 587) = 62.464,  $p$  < .001,  $\eta_p^2$  = .096). The results are as follows.

### *Source Effects*

Under low involvement, consumer-generated advertising is perceived as more attractive if it has been professionally produced. Results reveal that under low involvement, professional-looking consumer-generated advertising is slightly more attractive ( $M_{\text{CGA}} = 3.695$ ) than both professional company ads ( $M_{\text{company}} = 3.555$ ) and professional ads with no source ( $M_{\text{no source}} = 3.325$ ). However, when Product Involvement is high, Source Awareness does not make any difference for attractiveness of professional-looking ads ( $M_{\text{CGA}} = 5.180$ ,  $M_{\text{company}} = 5.135$ ,  $M_{\text{no source}} = 5.180$ ).

The findings suggest that amateur CGA does not provide any advantages over professional CGA in enhancing ad attractiveness. Professional consumer-generated advertising is found to be more attractive ( $M_{\text{high inv}} = 5.180$ ,  $M_{\text{low inv}} = 3.695$ ) than amateur consumer-generated advertising across all experimental conditions ( $M_{\text{high inv}} = 3.070$ ,  $M_{\text{low inv}} = 2.995$ ).

### *Amateur Advertising*

When product involvement is low, amateur CGA is more likely to be effective when the ad's source has not been revealed. As suggested by the data, in low involvement conditions, amateur advertising without an identified source ( $M_{\text{no source amateur}} = 3.350$ ) is likely to be as attractive as professional-looking ads without a source ( $M_{\text{no source prof}} = 3.325$ ). However, when product involvement is high, amateur ads attributed to the company source are found to be more attractive ( $M_{\text{company}} = 3.335$ ) than amateur consumer-generated ads ( $M_{\text{CGA}} = 3.070$ ) and amateur ads with no source ( $M_{\text{no source}} = 2.880$ ).

### *Consumer Source Introduction*

Consumer source should be disclosed only in professional-looking CGAs promoting a low involvement product, as this study finds it enhances advertising Attractiveness ( $M_{\text{CGA}} = 3.695$ ) relative to a control condition in which no information about the ad source was provided ( $M_{\text{no source}} = 3.325$ ). However, when product involvement is high, the source has no effect on the Attractiveness of professional-looking CGAs ( $M_{\text{CGA}} = 5.180$ ,  $M_{\text{no source}} = 5.180$ ). Since Source Awareness significantly influences the Attractiveness component of Credibility in low involvement conditions, H2 is partially supported.

### *Trustworthiness and Expertise*

A univariate ANOVA reveals a significant difference in advertising Trustworthiness based on Product Involvement ( $F(1, 587) = 6.511$ ,  $p < .05$ ,  $\eta_p^2 = .011$ ). In particular, high

involvement ads appear to be more trustworthy ( $M_{\text{high}} = 4.092$ ) than low involvement ads ( $M_{\text{low}} = 3.777$ ).

In addition, there is a significant interaction of Product Involvement and Source Salience on Expertise ( $F(1, 587) = 19.436, p < .001, \eta_p^2 = .032$ ). Also, high involvement professional-looking ads are more expert ( $M_{\text{high inv prof}} = 4.455$ ) than low involvement professional-looking ads ( $M_{\text{low inv prof}} = 3.537$ ). Low involvement amateur-looking ads, however, are perceived almost as expert ( $M_{\text{low inv amateur}} = 3.251$ ) as high involvement amateur-looking ads ( $M_{\text{high inv amateur}} = 3.227$ ).

**Table 7-11: MANOVA Results: Effects on Attractiveness, Expertise and Trustworthiness**

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	Attractiveness	450.243 <sup>a</sup>	12	37.520	27.154	.000	.357
	Trustworthiness	37.112 <sup>b</sup>	12	3.093	2.107	.015	.041
	Expertise	182.727 <sup>c</sup>	12	15.227	8.627	.000	.150
Intercept	Attractiveness	1649.969	1	1649.969	1194.126	.000	.670
	Trustworthiness	1769.574	1	1769.574	1205.373	.000	.673
	Expertise	1398.436	1	1398.436	792.256	.000	.574
Product Category Involvement	Attractiveness	3.463	1	3.463	2.506	.114	.004
	Trustworthiness	8.613	1	8.613	5.867	.016	.010
	Expertise	17.150	1	17.150	9.716	.002	.016
Source Awareness	Attractiveness	.503	2	.252	.182	.834	.001
	Trustworthiness	.921	2	.460	.314	.731	.001
	Expertise	3.197	2	1.598	.906	.405	.003
Product Involvement	Attractiveness	86.309	1	86.309	62.464	.000	.096
	Trustworthiness	9.558	1	9.558	6.511	.011	.011
	Expertise	19.382	1	19.382	10.981	.001	.018
Source Salience	Attractiveness	235.225	1	235.225	170.238	.000	.225
	Trustworthiness	4.794	1	4.794	3.265	.071	.006
	Expertise	92.919	1	92.919	52.641	.000	.082
Source Awareness * Product Involvement	Attractiveness	1.908	2	.954	.690	.502	.002
	Trustworthiness	1.124	2	.562	.383	.682	.001
	Expertise	1.276	2	.638	.361	.697	.001
Source Awareness * Source Salience	Attractiveness	1.784	2	.892	.646	.525	.002
	Trustworthiness	4.744	2	2.372	1.616	.200	.005
	Expertise	8.640	2	4.320	2.447	.087	.008
Product Involvement * Source Salience	Attractiveness	103.312	1	103.312	74.770	.000	.113
	Trustworthiness	.969	1	.969	.660	.417	.001
	Expertise	34.306	1	34.306	19.436	.000	.032

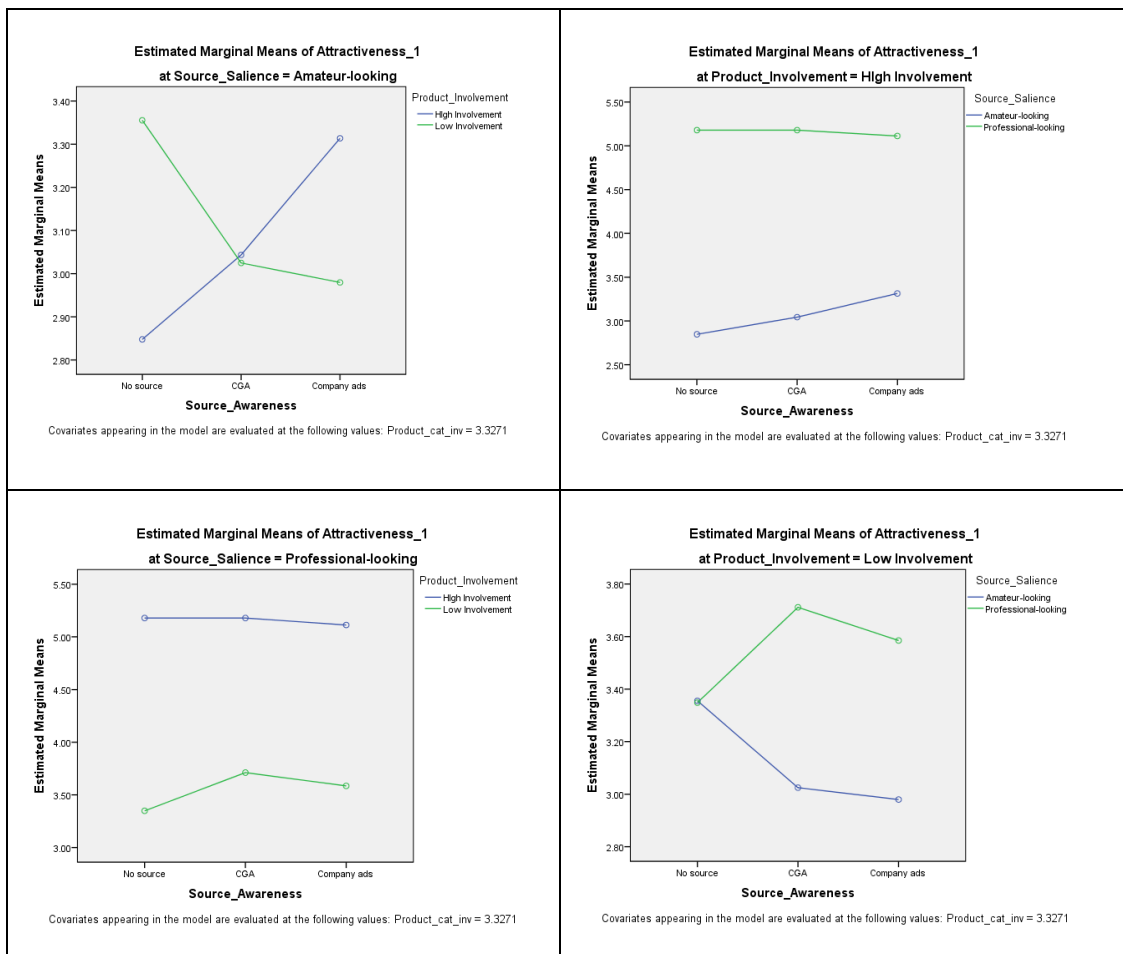
Source Awareness *	Attractiveness	9.023	2	4.512	3.265	<b>.039</b>	.011
Product Involvement	Trustworthiness	2.158	2	1.079	.735	.480	.002
* Source Salience	Expertise	4.003	2	2.001	1.134	.323	.004
Error	Attractiveness	811.080	587	1.382			
	Trustworthiness	861.758	587	1.468			
	Expertise	1036.133	587	1.765			
Total	Attractiveness	9579.250	600				
	Trustworthiness	10187.438	600				
	Expertise	9069.920	600				
Corrected Total	Attractiveness	1261.323	599				
	Trustworthiness	898.870	599				
	Expertise	1218.860	599				

a. R Squared = .357 (Adjusted R Squared = .344)

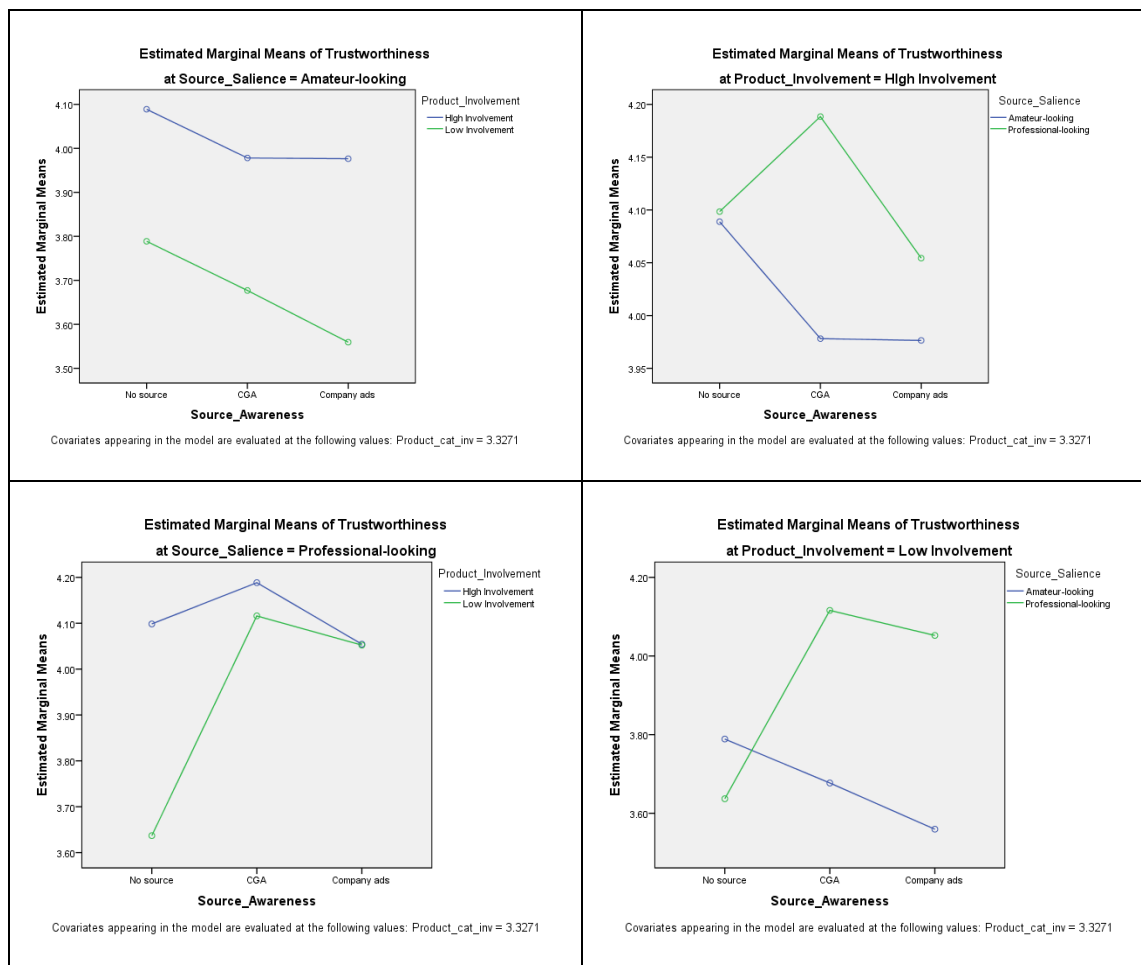
b. R Squared = .041 (Adjusted R Squared = .022)

c. R Squared = .150 (Adjusted R Squared = .133)

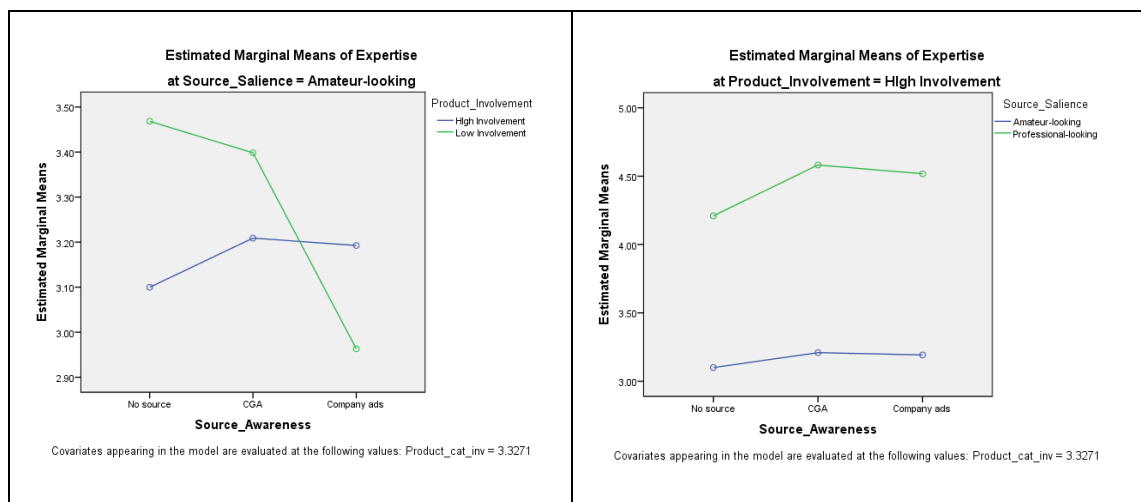
**Figure 7-5: Plots: Effects on Attractiveness**

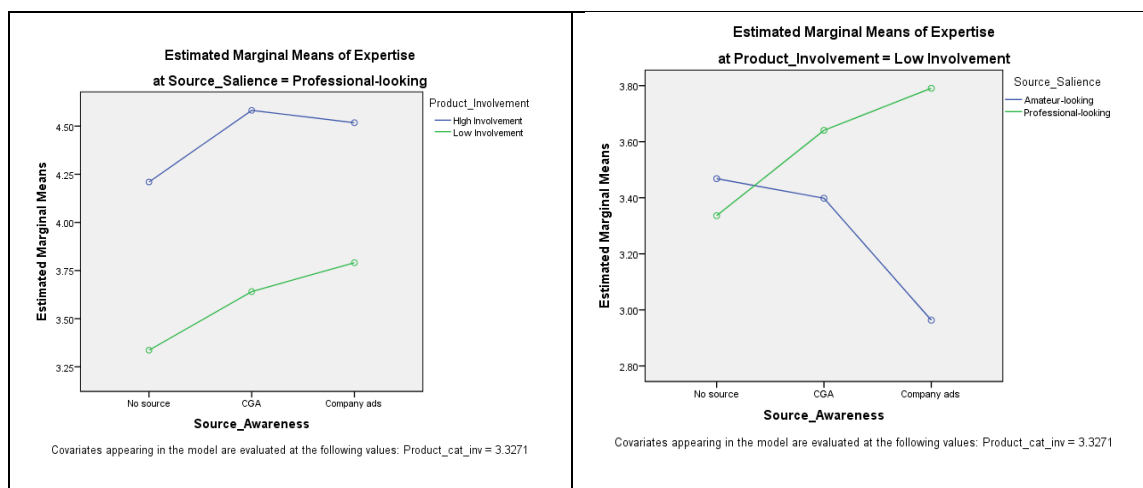


**Figure 7-6: Plots: Effects on Trustworthiness**



**Figure 7-7: Plots: Effects on Expertise**





### 7.4.3 Effects on Creativity and its Components

H3 proposes that when involvement is low and the ad is professionally produced, disclosing that an ad is consumer-generated will enhance its creativity relative to a control condition in which no information about the ad source is provided. To test this hypothesis a three-way ANOVA was performed in which Advertising Source Awareness, Product Involvement and Source Salience were used as independent variables and Creativity as the dependent variable. Levene's test was insignificant ( $p = .274$ ), indicating homogeneity of variance. A factorial between-subjects ANOVA test found the effects on Creativity to be insignificant ( $p > .05$ ) (see Table 7-14).

**Table 7-12:** ANOVA Results: Effects on Creativity

Dependent Variable: Creativity

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	31.434 <sup>a</sup>	13	2.418	1.637	.071	.035
Intercept	860.693	1	860.693	582.577	.000	.499
Product Category	17.621	1	17.621	11.927	.001	.020
Involvement						
Education	5.588	1	5.588	3.782	.052	.006
Source Awareness	1.108	2	.554	.375	.688	.001
Product Involvement	.045	1	.045	.031	.861	.000
Source Salience	3.136	1	3.136	2.122	.146	.004
Source Awareness *	2.695	2	1.347	.912	.402	.003
Product Involvement *						
Source Awareness *	1.305	2	.652	.441	.643	.002
Source Salience *						

Product Involvement *	.611	1	.611	.414	.520	.001
Source Salience						
Source Awareness *						
Product Involvement *	.447	2	.224	.151	.860	.001
Source Salience						
Error	865.751	586	1.477			
Total	9152.273	600				
Corrected Total	897.185	599				

a. R Squared = .035 (Adjusted R Squared = .014)

### *Novelty and Usefulness*

For the purpose of in-depth analysis, the Creativity scale was divided into two component subscales: Novelty and Usefulness. The components were extracted based on the literature (Sheinin et al., 2011), and factor loadings were obtained as a result of factor analysis (see 7.3.2). The subscale for Novelty consisted of six items (CREA1-CREA6) and the subscale for Usefulness five items (CREA7-CREA11). The data for each of the components was found to be normally distributed and have good internal reliability (see Table 7-16). To identify the effects on the Creativity subscales, MANOVA was conducted, in which Source Salience, Source Awareness and Product Involvement were used as independent variables and Novelty and Usefulness as the dependent variables.

**Table 7-13:** Descriptive Statistics for Subscales of Creativity

	<i>Novelty</i>	<i>Usefulness</i>
Mean	4.3128	2.9850
Median	4.5000	3.0000
Std. Deviation	1.46727	1.37950
Skewness	-.219	.451
Kurtosis	-.573	-.306
Cronbach's $\alpha$	.904	.868

Box's test showed a non-significant result (Box's  $M = 41.981$ ,  $F(33, 732711.075) = 1.252$ ,  $p = .152$ ). Therefore, the null hypothesis that the covariance matrices of the dependent variables were equal was accepted. Hence, the assumption of MANOVA was met. Levene's test was not significant for Novelty ( $p = .306$ ) and was significant for Usefulness ( $p = .004$ ). This indicates that variances for the Usefulness component of Creativity were unequal across the groups and bootstrapping was necessary to obtain robust results.



Using Wilks' lambda, there is a significant multivariate effect of an interaction between Source Salience and Product Involvement on the components of Creativity ( $\Lambda = .969$ ,  $F(2, 587) = 9.350$ , partial  $\eta^2 = .031$ ). A separate univariate ANOVA shows a significant effect of Source Salience and Product Involvement on Usefulness ( $F(1, 588) = 8.141$ ,  $p = .004$ ,  $\eta_p^2 = .014$ , BCa 95% CI [-1.083, -.186]) (number of bootstrap samples = 2,000). More specifically, when involvement is high, professional-looking ads are perceived more useful ( $M_{\text{prof}} = 3.247$ ) than amateur ads ( $M_{\text{amateur}} = 2.864$ ). However, when involvement is low, amateur-looking advertisements appear more useful ( $M_{\text{amateur}} = 3.044$ ) compared to professional ads ( $M_{\text{prof}} = 2.785$ ). On the other hand, effects on advertising Novelty are found to be non-significant at the univariate level ( $p > .05$ ) (see Table 7-17). Therefore, H3 is not supported.

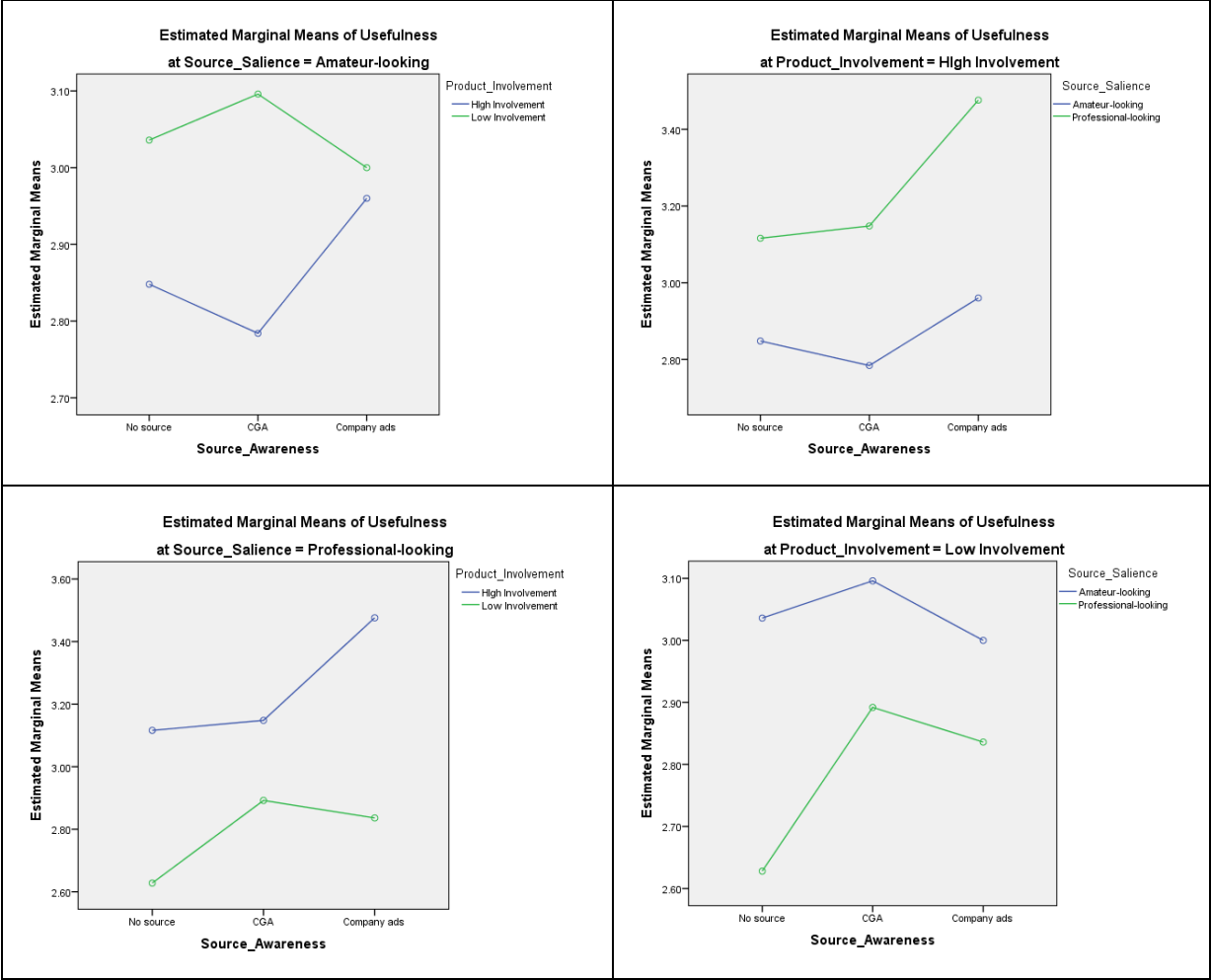
**Table 7-14:** MANOVA Results: Effects on Novelty and Usefulness

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	Novelty	16.664 <sup>a</sup>	11	1.515	.700	.739	.013
	Usefulness	25.903 <sup>b</sup>	11	2.355	1.243	.255	.023
Intercept	Novelty	11160.031	1	11160.031	5155.172	.000	.898
	Usefulness	5346.135	1	5346.135	2821.832	.000	.828
Source Awareness	Novelty	1.605	2	.802	.371	.690	.001
	Usefulness	2.600	2	1.300	.686	.504	.002
Product Involvement	Novelty	.831	1	.831	.384	.536	.001
	Usefulness	2.968	1	2.968	1.567	.211	.003
Source Salience	Novelty	2.667	1	2.667	1.232	.268	.002
	Usefulness	.577	1	.577	.304	.581	.001
Source Awareness * Product Involvement	Novelty	2.190	2	1.095	.506	.603	.002
	Usefulness	2.696	2	1.348	.712	.491	.002
Source Awareness * Source Salience	Novelty	3.423	2	1.711	.790	.454	.003
	Usefulness	1.537	2	.769	.406	.667	.001
Product Involvement * Source Salience	Novelty	4.981	1	4.981	2.301	.130	.004
	Usefulness	15.424	1	15.424	8.141	.004	.014
Source Awareness * Product Involvement * Source Salience	Novelty	.968	2	.484	.224	.800	.001
	Usefulness	.101	2	.050	.027	.974	.000
Error	Novelty	1272.916	588	2.165			
	Usefulness	1114.002	588	1.895			
Total	Novelty	12449.611	600				
	Usefulness	6486.040	600				
Corrected Total	Novelty	1289.580	599				

Usefulness	1139.905	599				
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- a. R Squared = .013 (Adjusted R Squared = -.006)
- b. R Squared = .023 (Adjusted R Squared = .004)

Figure 7-8: Plots: Effects on Usefulness



### 7.4.4 Mediation Analysis: Indirect Effects on A<sub>ad</sub>

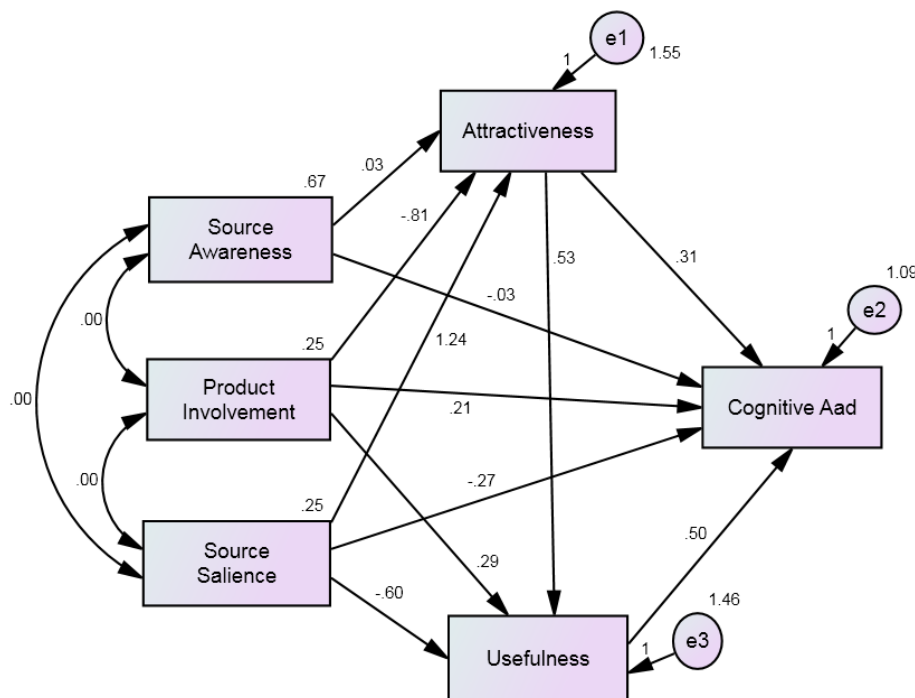
H4 predicts that Source Salience and Source Awareness will have a positive indirect effect on Attitude towards the Ad through Credibility and Creativity. This hypothesis was tested using structural equation modelling (SEM) with bias-corrected bootstrap sampling at a 95 per cent confidence interval. The SEM estimations were performed using 2,000 bootstrap samples (Hayes, 2013).

The Cognitive component of A<sub>ad</sub> and the Attractiveness component of Credibility were entered in the SEM instead of full measurements of the corresponding variables because the analysis of variance reported in the previous sections showed that Source Awareness had a

significant impact only on these subscales. For the same reason, the Usefulness component was used in the SEM instead of the full measurement of Creativity.

After the non-significant path between Ad Source and Usefulness was removed, the proposed model showed a good fit with the data:  $\chi^2(1) = 1.075$ ,  $p = .300$ , RMSEA (root mean square error of approximation) = .011, CFI (comparative fit index) = 1.000, NFI (normed fit index) = .998, RMR = .010, AIC (Akaike Information Criterion) = 41.075. The regression weights indicate the unstandardised direct and indirect effect estimates. The unstandardised indirect effect coefficients represented the manner in which both mediating variables Attractiveness and Usefulness together mediated the influence of Source Awareness and Source Salience (see Table 7-18).

**Figure 7-9:** Structural Equation Model for Study Two (Unstandardised Coefficients)



Performing a simultaneous analysis of all the paths, the SEM shows that Source Awareness does not have a significant direct effect on Cognitive Aad. The direct path Source Awareness → Cognitive Aad is not significant:  $\gamma = -.026$ , SE [standard error] = .052, CR [critical ratio] = -.500,  $p = .640$ , BCa 95% CI [-.126, .076]. In addition, the direct path from Source Awareness → Attractiveness is also non-significant:  $\gamma = .034$ , SE = .062, CR = .542,  $p = .614$ , BCa 95% CI [-.086, .162]. The findings also suggest that Source Awareness has no significant indirect effect on Cognitive Aad:  $\gamma = -.019$ ,  $p = .626$ , BCa 95% CI [-.051, .094].

However, results show that Source Salience significantly influences Cognitive  $A_{ad}$ , Attractiveness and Usefulness. The direct path Source Salience  $\rightarrow$  Cognitive  $A_{ad}$  is significant:  $\gamma = -.273$ ,  $SE = .098$ ,  $CR = -2.794$ ,  $p = .013$ , BCa 95% CI  $[-.491, -.052]$ . The direct paths Source Salience  $\rightarrow$  Attractiveness ( $\gamma = 1.243$ ,  $SE = .102$ ,  $CR = 12.223$ ,  $p < .001$ , BCa 95% CI  $[1.028, 1.432]$ ) and Source Salience  $\rightarrow$  Usefulness ( $\gamma = -.597$ ,  $SE = .110$ ,  $CR = -5.409$ ,  $p < .001$ , BCa 95% CI  $[-.820, -.373]$ ) are also significant. In addition, the results show that Source Salience has a significant positive indirect effect on Cognitive  $A_{ad}$ :  $\gamma = .416$ , BCa 95% CI  $[.236, .607]$ . Therefore, professionally produced ads increase Cognitive  $A_{ad}$ .

**Table 7-15:** Regression Weights, Direct, Indirect and Total Effects (Unstandardised Estimates)

Regression Weights	Estimates	SE	CR	BCa Bootstrap 95% CI		
				Lower	Upper	P
Direct Effects						
Source Awareness → Attractiveness	.034	.062	.542	−.086	.162	.614
Product Involvement → Attractiveness	−.813***	.102	−7.995	−1.001	−.592	.001
Source Salience → Attractiveness	1.243***	.102	12.223	1.028	1.432	.001
Product Involvement → Usefulness	.290**	.104	2.795	.079	.502	.006
Source Salience → Usefulness	−.597***	.110	−5.409	−.820	−.373	.001
Attractiveness → Usefulness	.530***	.040	13.366	.444	.612	.001
Source Awareness → Cognitive A <sub>ad</sub>	−.026	.052	−.500	−.126	.076	.640
Product Involvement → Cognitive A <sub>ad</sub>	.205*	.090	2.271	.009	.391	.042
Source Salience → Cognitive A <sub>ad</sub>	−.273**	.098	−2.794	−.491	−.052	.013
Usefulness → Cognitive A <sub>ad</sub>	.495***	.035	14.020	.403	.577	.001
Attractiveness → Cognitive A <sub>ad</sub>	.310***	.039	7.941	.212	.413	.001
Indirect Effects						
Source Awareness → Cognitive A <sub>ad</sub>	−.019			−.051	.094	.626

Regression Weights	Estimates	SE	CR	BCa Bootstrap 95% CI		
				Lower	Upper	P
Source Salience → Cognitive A <sub>ad</sub>	.416***			.236	.607	.001
Product Involvement → Cognitive A <sub>ad</sub>	-.322***			-.497	-.157	.001
<b>Total Effects</b>						
Source Awareness → Cognitive A <sub>ad</sub>	-.007			-.128	.122	.950
Source Salience → Cognitive A <sub>ad</sub>	.143			-.085	.374	.225
Product Involvement → Cognitive A <sub>ad</sub>	-.117			-.350	.118	.362

Note: SE – standard error; CR – critical ratio; CI – confidence interval, Bootstrap Sampling = 2,000

\*\*\* p < .001, \*\* p < .01, \*p < .05

#### 7.4.5 Moderated Mediation Analysis: Conditional Indirect Effects on A<sub>ad</sub>

H5 predicts that the indirect effect of advertising Source Awareness on Attitude towards the Ad will depend on the moderators Product Involvement and Source Salience. Thus, it was expected that under low involvement amateur-looking consumer-generated ads would produce more positive indirect effects on A<sub>ad</sub> through Creativity and Credibility than ads with no source.

To test this hypothesis, conditional analysis was performed using the Process macros for SPSS (Field, 2013). To complete the investigation, model #12 was selected (Hayes, 2013). Cognitive A<sub>ad</sub> was entered as an outcome variable, Source Awareness as a focal predictor, Attractiveness and Usefulness as mediators, and Product Involvement and Source Salience were entered as moderators. Product Category Involvement was included in the model as a covariate. The values were grand mean centred (Field, 2013). Attractiveness and Usefulness were used in the test instead of Credibility and Creativity respectively because the series of ANOVA tests conducted previously showed significant effects only on these variables' sub-components. The cognitive component of A<sub>ad</sub> was used instead of the full scale of A<sub>ad</sub> for the same reason. Source Awareness was coded into two dummy variables following the procedure for multicategorical independent variables (Hayes & Preacher, 2014):

**Table 7-16:** Dummy Coding for Advertising Source Awareness

	Dummy Variable 1	Dummy Variable 2
No source	0	0
Consumer-generated	1	0
Company ads	0	1

It was found that Source Awareness has a significant positive indirect effect on Cognitive  $A_{ad}$  through Attractiveness, which depends on the values of its moderators Source Salience and Product Involvement. Specifically, under high involvement, participants who were exposed to an amateur ad with the company source, believe it was more attractive, and therefore their Cognitive Attitude towards the Ad ( $A_{ad}$ ) is estimated .127 points higher on average. The 95 per cent bootstrap confidence interval is entirely above zero, indicating that this conditional effect is significant ( $\gamma = .127$ ,  $p < .05$ , BCa 95% CI [.010, .268]). No significant conditional effects of Source Awareness mediated by Usefulness have been found ( $p > .05$ ).

**Table 7-17:** Conditional Indirect Effects of Source Awareness through Attractiveness and Usefulness on Cognitive  $A_{ad}$  at Values of Two Moderators: Source Salience and Product Involvement

Moderator 1	Moderator 2	Conditional Indirect Effects of Ad Source on Cognitive A <sub>ad</sub>	Boot SE	Bootstrap 95% CI	
				Low	Upper
Consumer-Generated Advertising					
Mediator 1 – Attractiveness					
Professional-looking	High involvement	.011	.070	-.119	.155
Professional-looking	Low involvement	.085	.080	-.064	.259
Amateur-looking	High involvement	-.013	.069	-.149	.129
Amateur-looking	Low involvement	-.050	.066	-.187	.073
Mediator 2 – Usefulness					
Professional-looking	High involvement	-.053	.086	-.224	.107
Professional-looking	Low involvement	.059	.118	-.168	.293
Amateur-looking	High involvement	-.056	.112	-.272	.170
Amateur-looking	Low involvement	.080	.127	-.161	.355
Company Advertising					
Mediator 1 – Attractiveness					
Professional-looking	High involvement	-.023	.068	-.156	.109
Professional-looking	Low involvement	.019	.078	-.132	.170
Amateur-looking	High involvement	.127***	.065	.010	.268

Amateur-looking	Low involvement	-.073	.072	-.237	.052
<i>Mediator 2 – Usefulness</i>					
Professional-looking	High involvement	.129	.101	-.063	.332
Professional-looking	Low involvement	.052	.121	-.174	.295
Amateur-looking	High involvement	.081	.111	-.139	.300
Amateur-looking	Low involvement	-.059	.119	-.312	.165

Note: Bootstrap sampling for bias corrected bootstrap = 2,000; SE – Standard Error; CI – Confidence Interval

#### 7.4.6 Effects on Brand Evaluations

H6 proposes that when involvement is low, disclosing that an ad is consumer-generated will enhance Brand Evaluations, provided that the ad is professionally produced. Hypothesis H6a, H6b and H6c test the effects on Attitude towards the Brand ( $A_b$ ), Self-Brand Connection (SBC), and Emotional Response to Brand (ERB) respectively. The data analysis was performed using MANOVA, in which Source Awareness, Source Salience and Product Involvement were entered as independent variables and Attitude towards the Brand, Self-Brand Connection and Emotional Response to Brand as the dependent variables.

Box's test produced a significant result (Box's  $M = 106.549$ ,  $F(66, 371260.58) = 1.575$ ,  $p = .002$ ), indicating a violation of the assumption of equality of covariance matrices. Therefore, it was determined that only separate univariate ANOVAs would be reported and interpreted. Levene's test indicated equality of variances across the groups for  $A_b$  ( $p = .112$ ), and Self-Brand Connection ( $p = .471$ ). However, heterogeneity of variance was spotted for Emotional Response to Brand ( $p = .010$ ).

The findings suggest that Source Awareness has non-significant effects across Brand Evaluations. There are significant effects of Source Salience and Product Involvement on Attitude towards the Brand ( $A_b$ ). Specifically, professional-looking ads are found to produce more positive  $A_b$  ( $M_{\text{prof}} = 4.841$ ) compared with amateur-looking ads ( $M_{\text{amateur}} = 4.568$ ),  $F(1, 588) = 5.565$ ,  $p = .019$ , representing a small effect size (partial  $\eta^2 = .009$ ). Also, low involvement ads ( $M_{\text{low}} = 4.832$ ) result in higher  $A_b$  than high involvement ads ( $M_{\text{high}} = 4.577$ ) ( $F(1, 588) = 4.844$ ,  $p = .028$ , partial  $\eta^2 = .028$ ). No significant effects on Self-Brand Connection and Emotional Response to Brand have been identified ( $p > .05$ ). Therefore, H6a, H6b and H6c are not supported.

**Table 7-18:** MANOVA Results: Effects on A<sub>b</sub>, Self-Brand Connection and Emotional Response to Brand

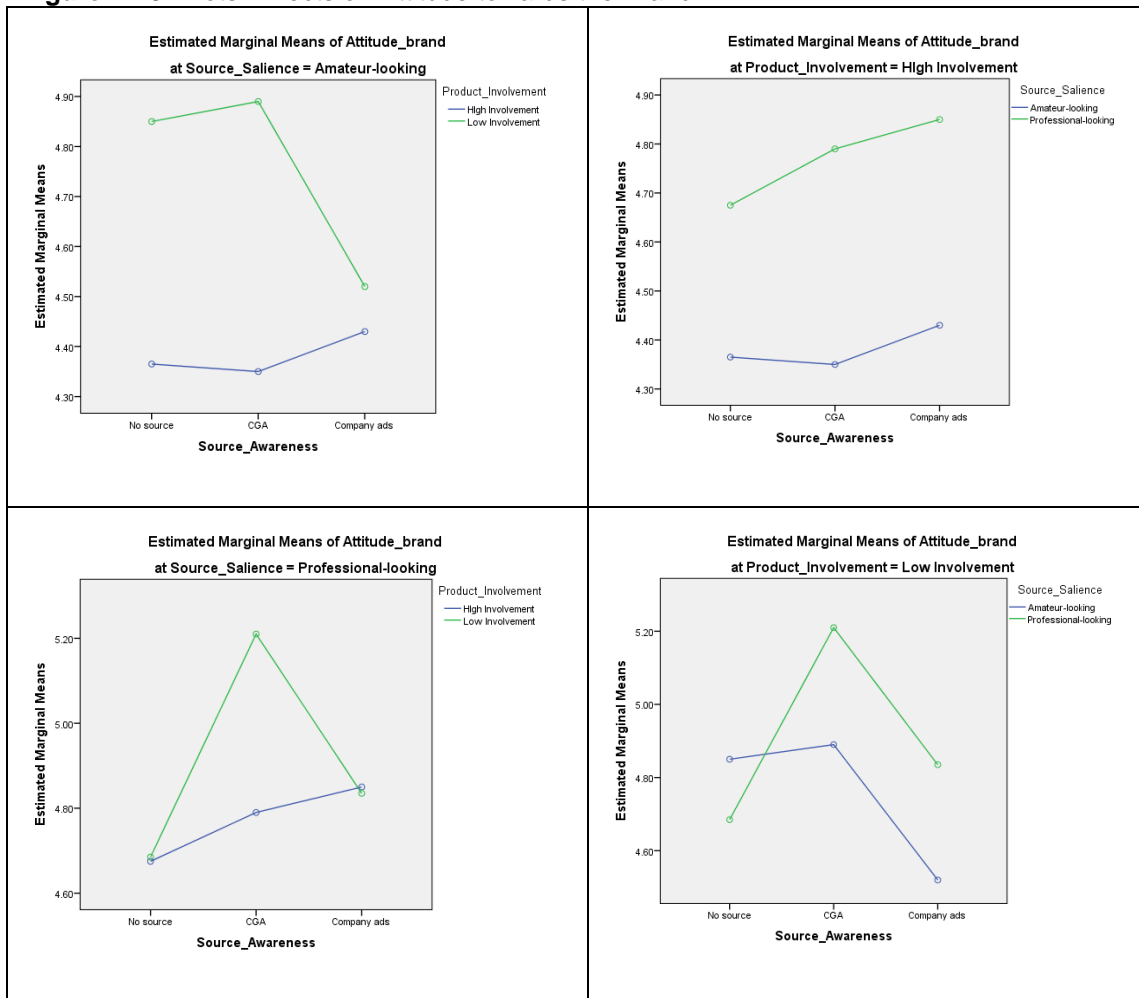
Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	A <sub>b</sub>	35.410 <sup>a</sup>	11	3.219	1.599	.095	.029
	Self-Brand Connection	10.163 <sup>b</sup>	11	.924	.418	.948	.008
	Emotional Response Brand	13.162 <sup>c</sup>	11	1.197	1.078	.377	.020
Intercept	A <sub>b</sub>	13277.510	1	13277.510	6593.453	.000	.918
	Self-Brand Connection	3709.396	1	3709.396	1678.669	.000	.741
	Emotional Response Brand	11634.708	1	11634.708	10477.740	.000	.947
Source Awareness	A <sub>b</sub>	3.383	2	1.691	.840	.432	.003
	Self-Brand Connection	.441	2	.221	.100	.905	.000
	Emotional Response Brand	.781	2	.391	.352	.704	.001
Product Involvement	A <sub>b</sub>	9.754	1	9.754	4.844	<b>.028</b>	.008
	Self-Brand Connection	3.082	1	3.082	1.395	.238	.002
	Emotional Response Brand	.675	1	.675	.608	.436	.001
Source Salience	A <sub>b</sub>	11.207	1	11.207	5.565	<b>.019</b>	.009
	Self-Brand Connection	.696	1	.696	.315	.575	.001
	Emotional Response Brand	1.463	1	1.463	1.317	.252	.002
Source Awareness * Product Involvement	A <sub>b</sub>	4.899	2	2.450	1.216	.297	.004
	Self-Brand Connection	1.678	2	.839	.380	.684	.001
	Emotional Response Brand	2.623	2	1.311	1.181	.308	.004
Source Awareness * Source Salience	A <sub>b</sub>	3.029	2	1.514	.752	.472	.003
	Self-Brand Connection	1.672	2	.836	.378	.685	.001
	Emotional Response Brand	4.675	2	2.337	2.105	.123	.007
Product Involvement * Source Salience	A <sub>b</sub>	2.042	1	2.042	1.014	.314	.002
	Self-Brand Connection	.042	1	.042	.019	.891	.000
	Emotional Response Brand	.761	1	.761	.686	.408	.001
Source Awareness * Product Involvement * Source Salience	A <sub>b</sub>	1.096	2	.548	.272	.762	.001
	Self-Brand Connection	2.554	2	1.277	.578	.561	.002
	Emotional Response Brand	2.184	2	1.092	.983	.375	.003
Error	A <sub>b</sub>	1184.080	588	2.014			
	Self-Brand Connection	1299.318	588	2.210			
	Emotional Response Brand	652.928	588	1.110			
Total	A <sub>b</sub>	14497.000	600				
	Self-Brand Connection	5018.878	600				
	Emotional Response Brand	12300.797	600				
Corrected Total	A <sub>b</sub>	1219.490	599				
	Self-Brand Connection	1309.481	599				
	Emotional Response Brand	666.089	599				

a. R Squared = .029 (Adjusted R Squared = .011)



b. R Squared = .008 (Adjusted R Squared = -.011) c. R Squared = .020 (Adjusted R Squared = .001)

**Figure 7-10: Plots: Effects on Attitude towards the Brand**



### 7.4.7 Effects on Behavioural Intentions

H7 predicts that when involvement is low and the ad is professionally produced, disclosing that an ad is consumer-generated will result in stronger behavioural intentions relative to a control condition in which no information about the ad source is provided. H7a and H7b are related to different measurements of behavioural intentions: Purchase Intentions and Likelihood to Share respectively. To test these hypotheses MANOVA was conducted in which Source Awareness, Product Involvement and Source Salience were used as independent variables, and Purchase Intention and Likelihood to Share as the dependent variables.

The assumption of MANOVA relating to equality of covariance matrices was met (Box's M = 20.904, F (33, 732711.08) = .623, p = .955). Levene's test indicated equality of error variances across the groups, providing non-significant results for both Purchase intention (p = .510) and Likelihood to Share (p = .368). Therefore, the assumption of homogeneity of variances was also met.

Using Wilks' lambda, an interaction between Source Salience and Product Involvement has a multivariate effect on Behavioural Intentions ( $\Lambda = .987$ ,  $F(2, 586) = 3.948$ ,  $p = .020$ ). Separate univariate ANOVA tests identify a significant interaction between Source Salience and Product Involvement on Purchase Intentions ( $F(1, 587) = 4.211$ ,  $p < .05$ ,  $\eta_p^2 = .007$ ). Interestingly, the results reveal that under low involvement, amateur-looking advertising produces slightly higher Purchase Intentions ( $M_{\text{amateur}} = 3.324$ ) than professional-looking advertising ( $M_{\text{prof}} = 3.225$ ). Under high involvement, in contrast, professional ads lead to higher Purchase Intentions ( $M_{\text{prof}} = 2.515$ ) than amateur ads ( $M_{\text{amateur}} = 2.260$ ).

Meanwhile, Likelihood to Share appear to be significantly affected solely by Product Involvement ( $F(1, 587) = 9.414$ ,  $p = .002$ ,  $\eta_p^2 = .016$ ), with Product Category Involvement being a significant covariate ( $F(1, 587) = 27.986$ ,  $p < .001$ ,  $\eta_p^2 = .046$ ). The results show that advertising of low involvement products are more likely to be shared ( $M_{\text{low inv}} = 3.040$ ) compared to advertising of high involvement products ( $M_{\text{high inv}} = 2.591$ ). Therefore, the dependent variables are not affected by Source Awareness. H7a and H7b are therefore not supported.

**Table 7-19:** MANOVA Results: Effects on Purchase Intentions and Likelihood to Share

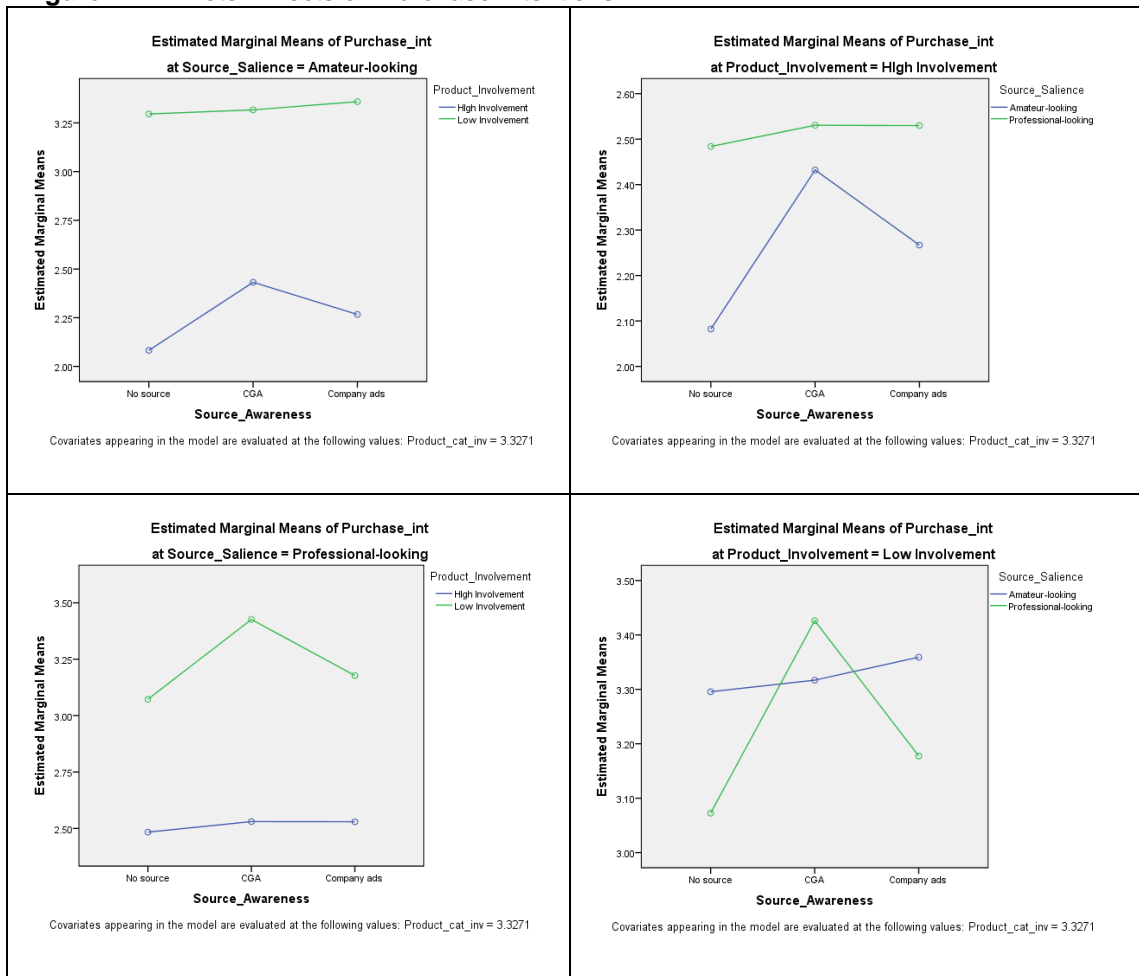
Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	Purchase Int	132.292 <sup>a</sup>	12	11.024	9.954	.000	.169
	Likelihood Share	124.818 <sup>b</sup>	12	10.402	3.406	.000	.065
Intercept	Purchase Int	756.861	1	756.861	683.347	.000	.538
	Likelihood Share	565.052	1	565.052	185.007	.000	.240
Product Category Involvement	Purchase Int	27.286	1	27.286	24.636	.000	.040
	Likelihood Share	85.476	1	85.476	27.986	.000	.046
Source Awareness	Purchase Int	3.719	2	1.860	1.679	.187	.006
	Likelihood Share	2.096	2	1.048	.343	.710	.001
Product Involvement	Purchase Int	112.089	1	112.089	101.201	.000	.147
	Likelihood Share	28.752	1	28.752	9.414	<b>.002</b>	.016
Source Salience	Purchase Int	.902	1	.902	.815	.367	.001
	Likelihood Share	8.917	1	8.917	2.919	.088	.005
Source Awareness * Product Involvement	Purchase Int	.025	2	.012	.011	.989	.000
	Likelihood Share	7.425	2	3.712	1.215	.297	.004
Source Awareness * Source Salience	Purchase Int	.109	2	.055	.049	.952	.000
	Likelihood Share	7.079	2	3.539	1.159	.315	.004
Product Involvement	Purchase Int	4.663	1	4.663	4.211	<b>.041</b>	.007

* Source Salience	Likelihood Share	3.401	1	3.401	1.113	.292	.002
Source Awareness *	Purchase Int	2.675	2	1.337	1.207	.300	.004
Product Involvement	Likelihood Share	2.365	2	1.183	.387	.679	.001
* Source Salience							
Error	Purchase Int	650.149	587	1.108			
	Likelihood Share	1792.825	587	3.054			
Total	Purchase Int	5591.556	600				
	Likelihood Share	6674.056	600				
Corrected Total	Purchase Int	782.441	599				
	Likelihood Share	1917.644	599				

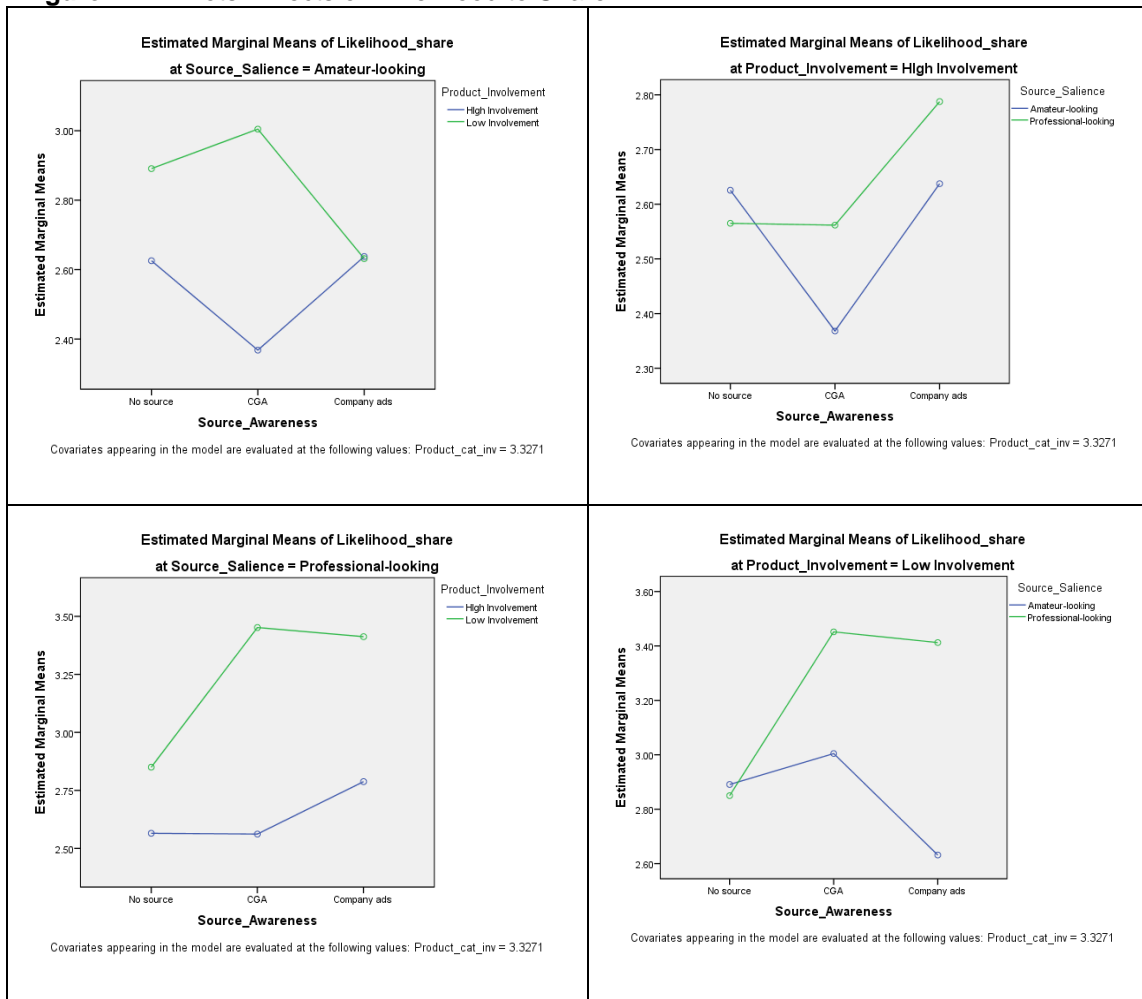
a. R Squared = .169 (Adjusted R Squared = .152)

b. R Squared = .065 (Adjusted R Squared = .046)

**Figure 7-11: Plots: Effects on Purchase Intentions**



**Figure 7-12: Plots: Effects on Likelihood to Share**



## 7.4.8 Effects on Brand Recall

H8 predicts that when involvement is low and the ad is professionally produced, disclosing that the ad is consumer-generated will make it more memorable relative to a control condition in which no information about the ad source is provided. Specifically, H8a and H8b suggest that CGA will result in higher levels of Unaided and Aided Brand Recall respectively. To test this hypothesis two three-way ANOVAs were performed in which Source Awareness, Product Involvement and Source Salience were used as independent variables and Unaided/Aided Brand Recall as the dependent variable.

### *Unaided Brand Recall*

Levene's test was significant ( $p < .001$ ), indicating that the assumption of homogeneity of variance was violated, and therefore bootstrapping was required (number of bootstrap samples = 2,000). ANOVA shows a significant interaction effect of Source Awareness and

Product Involvement on Unaided Brand Recall ( $F(2, 588) = 7.640, p = .001, \text{partial } \eta^2 = .025, \text{BCa } 95\% \text{ CI } [-.855, -.262]$ ). Specifically, CGA shows slightly higher levels of Unaided Brand Recall than company advertising under low involvement ( $M_{\text{CGA}} = 2.780, M_{\text{company}} = 2.470$ ). Conversely, under high involvement, company advertising produces slightly greater Unaided Brand Recall than CGA ( $M_{\text{company}} = 2.570, M_{\text{CGA}} = 2.330$ ). However, CGA lead approximately to the same Unaided Brand Recall as ads with no source provided, under both low ( $M_{\text{CGA}} = 2.780, M_{\text{no source}} = 2.720$ ) and high involvement ( $M_{\text{CGA}} = 2.330, M_{\text{no source}} = 2.390$ ) (see Figure 7-14). Therefore, H8a is not supported.

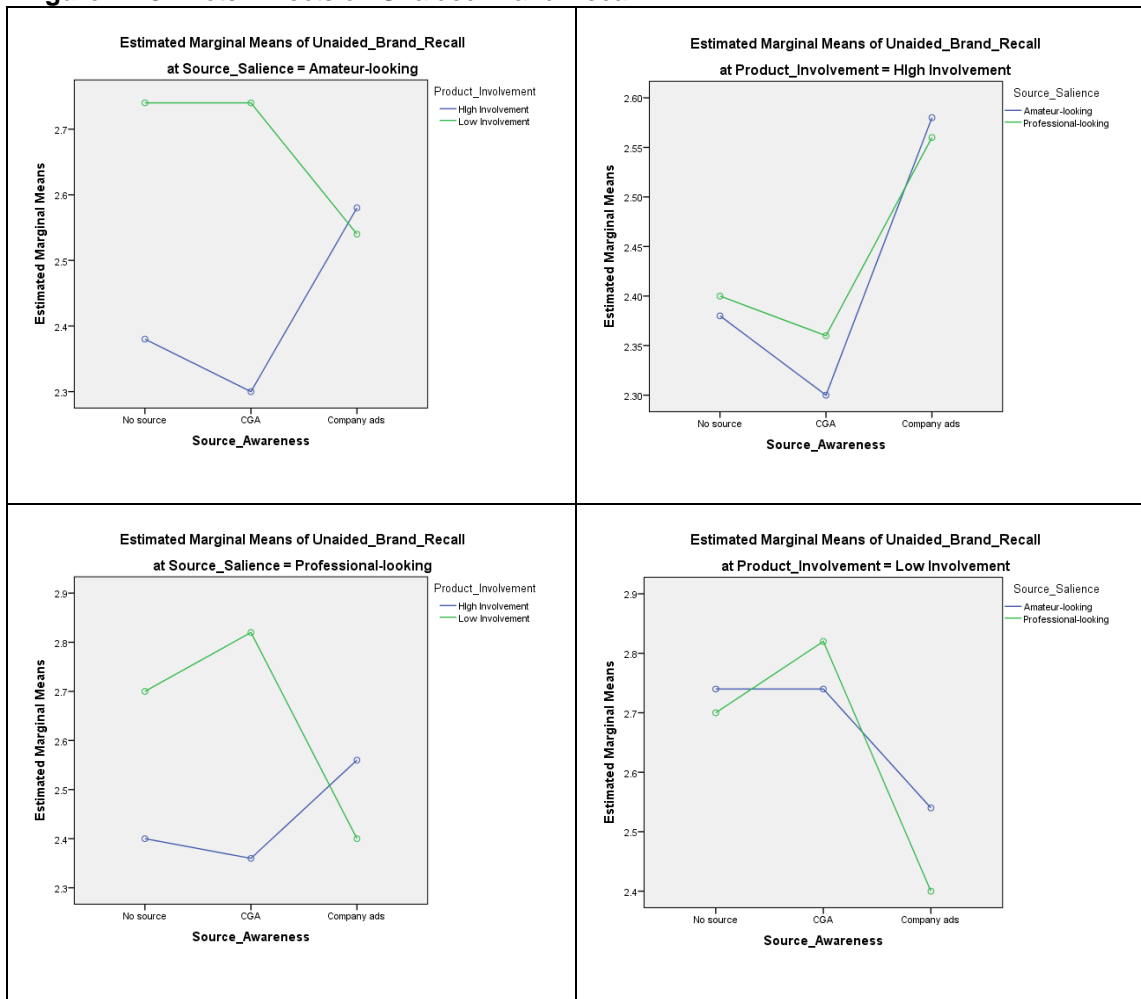
**Table 7-20:** ANOVA Results: Effects on Unaided Brand Recall

Dependent Variable: Unaided Brand Recall

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	17.033 <sup>a</sup>	11	1.548	2.829	.001	.050
Intercept	3881.127	1	3881.127	7090.798	.000	.923
Source Awareness	.163	2	.082	.149	.861	.001
Product Involvement	7.707	1	7.707	14.080	.000	.023
Source Salience	.007	1	.007	.012	.912	.000
Source Awareness * Product Involvement	8.363	2	4.182	7.640	.001	.025
Source Awareness * Source Salience	.563	2	.282	.515	.598	.002
Product Involvement * Source Salience	.107	1	.107	.195	.659	.000
Source Awareness * Product Involvement * Source Salience	.123	2	.062	.113	.893	.000
Error	321.840	588	.547			
Total	4220.000	600				
Corrected Total	338.873	599				

a. R Squared = .050 (Adjusted R Squared = .032)

**Figure 7-13: Plots: Effects on Unaided Brand Recall**



### *Aided Brand Recall*

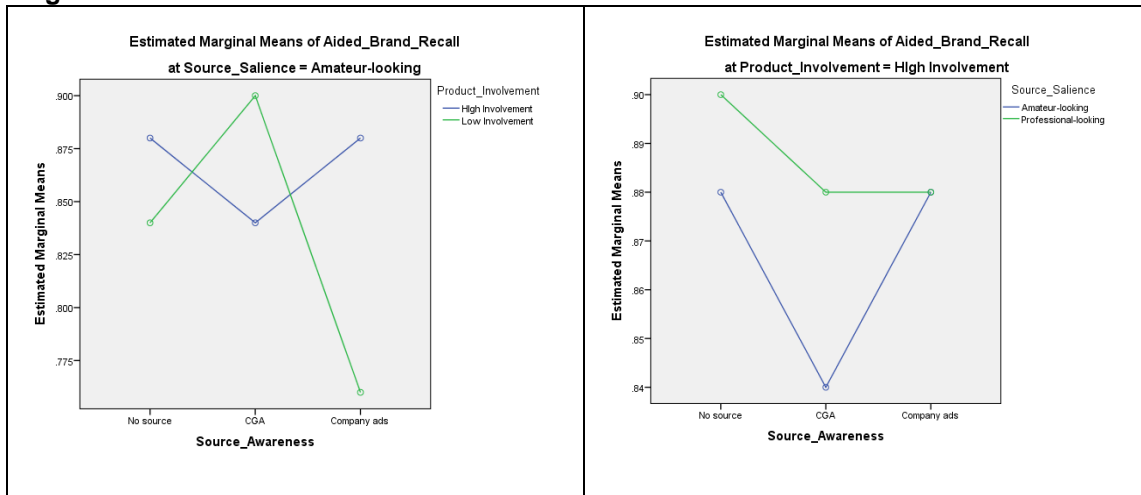
Levene's test was significant ( $p < .05$ ), indicating heterogeneity of variance. Therefore, a bias-corrected and accelerated bootstrapping with 95 per cent confidence interval was performed, using 2,000 samples. A between-subjects factorial ANOVA shows that an interaction effect of Source Awareness and Product Involvement has a significant impact on Aided Brand Recall ( $F(2, 587) = 4.589$ ,  $p = .011$ , BCa 95% CI  $[-.357, -.076]$ ), representing a small effect ( $\text{partial } \eta^2 = .015$ ). Specifically, under low involvement, CGA ( $M = .890$ ) is more easily remembered than company ads ( $M = .690$ ), but its level of Aided Brand Recall was similar to the ads with no source ( $M = .820$ ). Under high involvement, all ad sources produce similar levels of Aided Brand Recall ( $M_{\text{CGA}} = .860$ ,  $M_{\text{company}} = .880$ ,  $M_{\text{no source}} = .890$ ). Therefore, H8b is not supported.

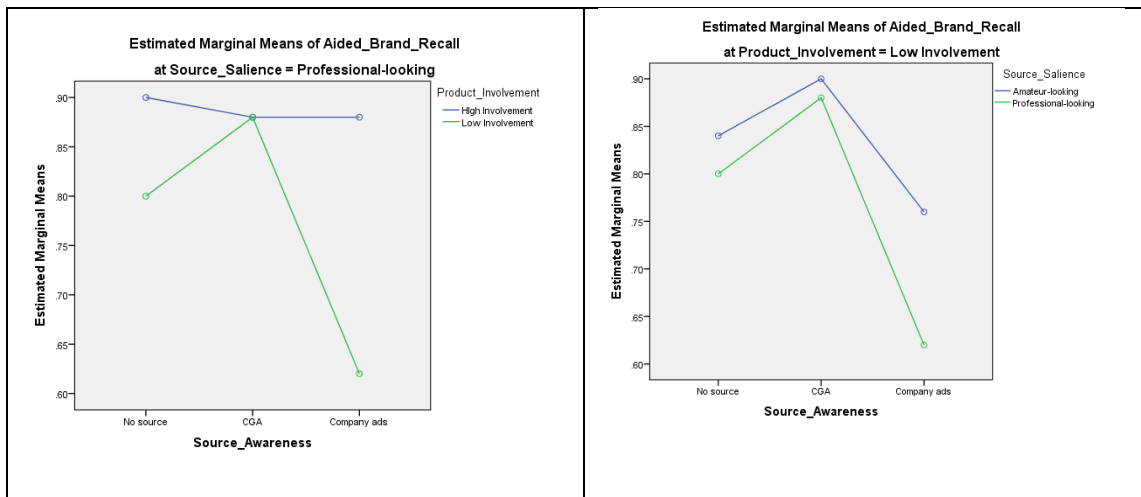
**Table 7-21:** ANOVA Results: Effects on Aided Brand Recall

Dependent Variable: Aided\_Brand\_Recall

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	3.578 <sup>a</sup>	11	.325	2.460	.005	.044
Intercept	421.682	1	421.682	3189.463	.000	.844
Source Awareness	.893	2	.447	3.378	.035	.011
Product Involvement	.882	1	.882	6.669	.010	.011
Source Salience	.082	1	.082	.618	.432	.001
Source Awareness * Product Involvement	1.213	2	.607	4.589	<b>.011</b>	.015
Source Awareness * Source Salience	.173	2	.087	.656	.520	.002
Product Involvement * Source Salience	.282	1	.282	2.130	.145	.004
Source Awareness * Product Involvement * Source Salience	.053	2	.027	.202	.817	.001
Error	77.740	588	.132			
Total	503.000	600				
Corrected Total	81.318	599				

a. R Squared = .044 (Adjusted R Squared = .026)

**Figure 7-14:** Plots: Effects on Aided Brand Recall



### 7.4.9 Effects on Entertainment Value

H9 predicts that when involvement is low, disclosing that an ad is consumer-generated will enhance its Entertainment Value, provided that the ad is professionally executed. To test this hypothesis, a three-way ANOVA was performed in which Source Awareness, Product Involvement and Source Salience were used as independent variables and Entertainment Value as the dependent variable.

Levene's test was not significant ( $p = .096$ ), and hence the assumption of homogeneity of variance was met. The between-subjects ANOVA shows that Source Salience has a significant effect on Entertainment Value ( $F(1, 588) = 18.654$ ,  $p < .001$ , partial  $\eta^2 = .031$ ). Specifically, professional-looking ads ( $M = 4.323$ ) are perceived as more entertaining than amateur-looking ads ( $M = 3.698$ ).

**Table 7-22: ANOVA Results: Effects on Entertainment Value**

Dependent Variable: Entertainment\_value

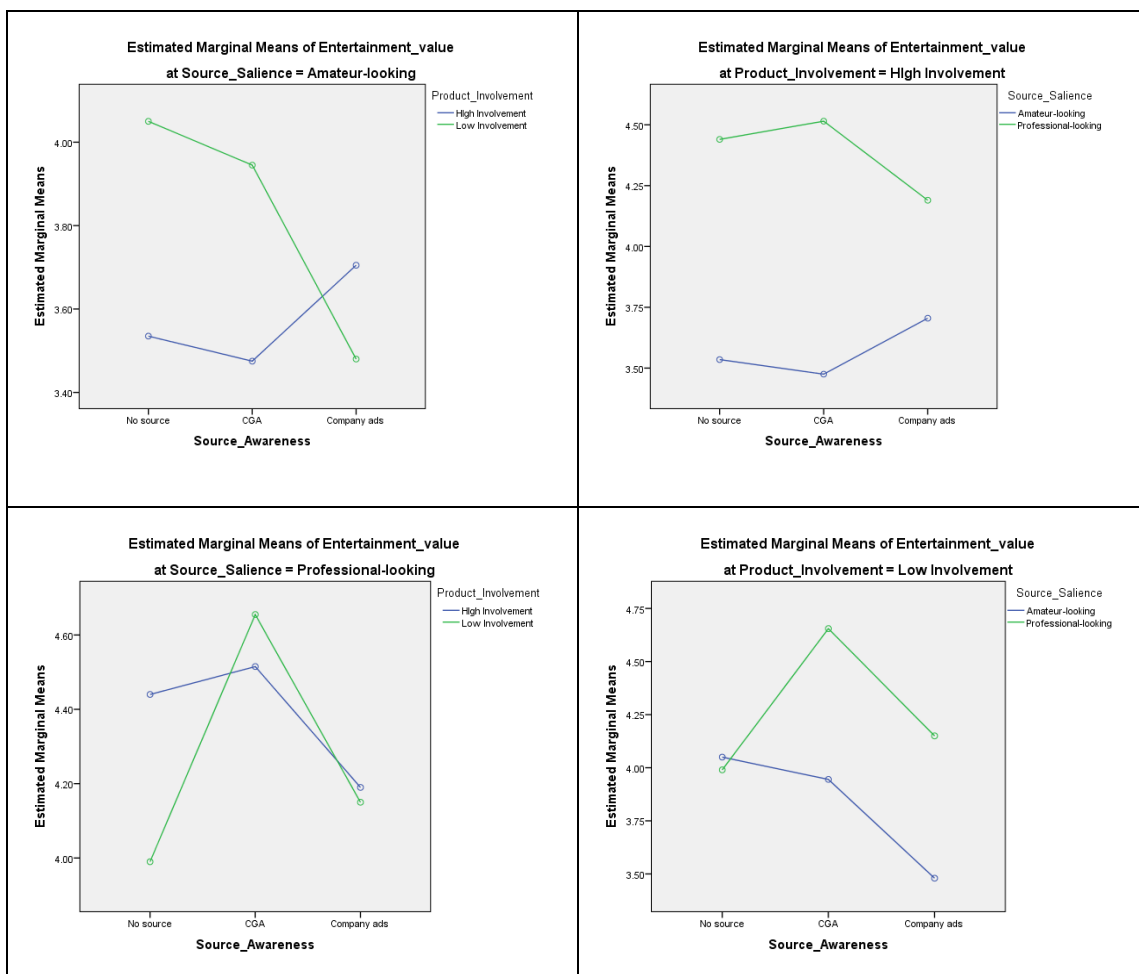
Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	89.997 <sup>a</sup>	11	8.182	2.605	.003	.046
Intercept	9652.070	1	9652.070	3072.888	.000	.839
Source Awareness	7.104	2	3.552	1.131	.323	.004
Product Involvement	.700	1	.700	.223	.637	.000
Source Salience	58.594	1	58.594	18.654	.000	.031
Source Awareness * Product Involvement	4.881	2	2.441	.777	.460	.003
Source Awareness * Source Salience	5.288	2	2.644	.842	.431	.003



Product Involvement *	5.134	1	5.134	1.634	.202	.003
Source Salience						
Source Awareness *						
Product Involvement *	8.296	2	4.148	1.321	.268	.004
Source Salience						
Error	1846.933	588	3.141			
Total	11589.000	600				
Corrected Total	1936.930	599				

a. R Squared = .046 (Adjusted R Squared = .029)

**Figure 7-15:** Plots: Effects on Entertainment Value



## 7.5 CHAPTER SUMMARY

Study Two suggests that Source Salience (ad quality), Source Awareness and Product Involvement possibly have a significant effect only on two variables: the Cognitive component of Attitude towards the Ad and the Attractiveness component of Credibility of the source. However, before summarising these findings, a brief theoretical background to the three-component model of attitude will be presented.

### *Three-Component (Tripartite) Model of Attitude*

Attitude is defined as a “psychological tendency that is expressed by evaluating a particular entity with some degree of favour or disfavour” (Eagly & Chaiken, 1993, p. 1). Attitudes represent one of the central concepts in the social sciences because of the widely accepted view that attitudes can strongly predict behaviour (Eagly & Chaiken, 1993; Maio & Haddock, 2010). In the past, scholars observed many inconsistencies in attitude-behaviour relations, which produced a wave of scepticism towards the concept. Nevertheless, those reports of low or non-significant relationships between attitudinal predictors and behavioural criteria do have methodological or moderator variable explanations (Ajzen & Fishbein, 1977; Kraus, 1995).

Attitude is commonly viewed as a three-component construct, comprising cognitive, affective and ‘conative’ (behavioural) components (Ajzen, 1989; Bagozzi, Tybout, Craig, & Sternthal, 1979; Breckler, 1984; Eagly & Chaiken, 1993, 2007; McGuire, 1985; Pratkanis, 1989; Zanna & Rempel, 2012). According to this perspective, the attitude object elicits three types of evaluative responses related to cognition, affect and behaviour (Eagly & Chaiken, 2007). This view was popularised by Rosenberg and Hovland (1960), who suggested that an attitude represents “how we feel, what we think, and what we are inclined to do about an attitude object” (as cited in Zanna & Rempel, 2012, p. 4).

In a general sense, the cognitive component of attitude is related to the thoughts that individuals hold about the object (Eagly & Chaiken, 1993). More specifically, the cognitive dimension of attitude consists of “associations that people establish between an attitude object and various attributes that they ascribe to it” (Eagly & Chaiken, 2007, p. 591), or information and beliefs about the attitude object (Ajzen, 1989). The affective aspects of attitude relate to feelings and emotions (Ajzen, 1989). The behavioural component of attitudinal responses refers to “overt actions towards the attitude object as well as to intentions to act” (Eagly & Chaiken, 2007, p. 591). The formation of attitudes through affective, cognitive or behavioural processes occurs by establishing associations that are linked to the attitude object and

become accessible directly from memory (Fazio, 1989). Highly accessible attitudes, therefore, appear to be more influential (Fazio, 1989).

Empirical evidence strongly supports this tripartite composition of attitude (Bagozzi et al., 1979; Breckler, 1984). Nevertheless, some scholars highlight that the cognitive, affective and conative aspects of attitude cannot always be neatly separated by factor analysis and, therefore, correlated with each other (Eagly & Chaiken, 1993). Consequently, a contrary view holds that attitudes should not necessarily include all three components simultaneously (Eagly & Chaiken, 2007) because they can be formed or expressed based on only one of these three processes, or some mix of these processes (Eagly & Chaiken, 1993, 2007). Similarly, in the present research, only two attitude components were identified: cognitive and affective (see sections 6.3.2 and 7.3.2). In addition, some scholars argue that the two-component model of attitude would be more appropriate and its behavioural aspect should be removed (Zanna & Rempel, 2012). Others argue for the homeostasis model of attitude based on neurological research (Cacioppo, Petty, & Geen, 1989). Despite ongoing academic debate, the three-component model of attitude currently remains the most widely accepted (Maio & Haddock, 2010).

### *Study Two Results*

Study Two shows that disclosure of the consumer source could enhance consumers' attitudinal responses to CGA, compared to advertising without source identification, but only if this ad has been professionally produced and when involvement is low. Findings indicate that in low-involvement conditions, professional-looking CGAs produce higher Cognitive Attitude towards the Ad and are considered as more attractive than ads with no source.

Conversely, amateur CGAs can possibly perform more effectively only when their source is not disclosed and involvement is low. Findings reveal that low involvement amateur advertising with no source produces significantly more favourable Cognitive  $A_{ad}$  than both company and consumer-generated advertising. In addition, low involvement amateur CGAs with no disclosed source are perceived as more attractive.

In this study, no significant effects of Source Awareness on brand evaluations or evaluations of advertising creativity were detected. However, Source Salience is likely to significantly influence most of the dependent variables. An interesting finding to emerge is that under low involvement amateur ads are perceived to be more useful than professional ads, and lead to the same or even slightly higher purchase intentions than professional ads. A more detailed discussion and explanation of the results will be presented in Chapter 8, General Discussion.

**Table 7-23:** Summary of Hypotheses Testing, Study Two

#	Hypothesis	Testing	Results
<b>H1</b>	When involvement is low, disclosing that an ad is consumer-generated will enhance Attitudes towards the ad, provided that the ad is professionally executed.	Partially Supported	There was a significant effect of the interaction between Source Awareness, Source Salience and Product Involvement on the Cognitive component of $A_{ad}$ . Under low involvement, disclosing that an ad is consumer-generated enhances Cognitive $A_{ad}$ , compared to the control condition, provided that the ad is professionally executed.
<b>H2</b>	When involvement is low and the ad is professionally produced, disclosing that an ad is consumer-generated will enhance its Credibility relative to a control condition in which no information about the ad source is provided.	Partially Supported	There was a significant effect of the interaction between Source Awareness, Source Salience and Product Involvement on the Attractiveness component of Credibility. When involvement is low and the ad is professionally executed, disclosing that an ad is consumer-generated will enhance its Attractiveness relative to a control condition in which no information about the ad source is provided.
<b>H3</b>	When involvement is low and the ad is professionally produced, disclosing that an ad is consumer-generated will enhance its Creativity relative to a control condition in which no information about the ad source is provided.	Not supported	There was a significant effect of Source Salience and Product Involvement on the Usefulness component of Creativity. When involvement is high, professional-looking ads are perceived as more useful than amateur ads. However, when involvement is low, amateur-looking advertisements appear to be more useful compared to professional ads.
<b>H4</b>	Source Awareness and Source Salience will have a positive indirect effect on $A_{ad}$ through Credibility and Creativity.	Partially Supported	Source Salience has a significant positive indirect effect on Cognitive $A_{ad}$ . Therefore, professionally produced ads increase Cognitive $A_{ad}$ .
<b>H5</b>	The effect of Source Awareness through Credibility and Creativity on Attitudes towards the ad will depend on Product Involvement and Source Salience. Specifically, it was predicted that in low involvement conditions, professionally executed ads attributed to the consumer will produce a more positive indirect effect on $A_{ad}$ through Creativity and Credibility relative to a control condition in which no information about the ad source is provided.	Partially Supported	Source Awareness has a significant positive indirect effect on Cognitive $A_{ad}$ through Attractiveness, which depends on Source Salience and Product Involvement. Specifically, under high involvement, participants who were exposed to amateur advertising with the company source revealed, believe it is more attractive and report increased Cognitive Attitude towards the Ad ( $A_{ad}$ ).
<b>Brand Evaluations</b>			

H6a	When involvement is low, disclosing that an ad is consumer-generated will enhance Attitudes towards the Brand, provided that the ad is professionally executed.	Not supported	There are significant effects of Source Salience and Product Involvement on $A_b$ . Professional-looking ads produce more positive $A_b$ compared to amateur-looking ads.
H6b	When involvement is low, disclosing that an ad is consumer-generated will enhance Self-Brand Connection, provided that the ad is professionally executed.	Not supported	No significant effects
H6c	When involvement is low, disclosing that an ad is consumer-generated will enhance Emotional Response to Brand, provided that the ad is professionally executed.	Not supported	No significant effects
<b><i>Behavioural Intentions</i></b>			
H7a	When involvement is low and the ad is professionally executed, disclosing that an ad is consumer-generated will produce stronger Purchase Intentions relative to a control condition in which no information about the ad source is provided.	Not supported	Under low involvement, amateur-looking advertising produces slightly higher Purchase Intentions than professional-looking advertising. Under high involvement, professional ads lead to higher Purchase Intentions than amateur ads.
H7b	When involvement is low and the ad is professionally executed, disclosing that an ad is consumer-generated will produce a stronger Likelihood to Share relative to a control condition in which no information about the ad source is provided.	Not supported	Advertising of low involvement products are more likely to be shared compared to advertising of high involvement products.
<b><i>Brand Recall</i></b>			
H8a	Consumer-generated advertising of low involvement products will result in a higher Unaided Brand Recall	Not supported	CGA demonstrates a similar level of Unaided Brand Recall to ads with no source provided. Under low involvement, CGA are memorised better than ads attributed to the company source.
H8b	Consumer-generated advertising of low involvement products will result in a higher Aided Brand Recall	Not supported	The CGA's level of Aided Brand Recall is similar to the ads with no source provided. Under low involvement, CGA is memorised better than ads attributed to the company source.
<b><i>Entertainment Value</i></b>			
H9	When involvement is low, disclosing that an ad is consumer-generated will enhance its Entertainment Value, provided that the ad is professionally executed.	Not supported	Professional-looking ads are perceived as more entertaining than amateur-looking ads.

## **Chapter 8**

### **DISCUSSION OF FINDINGS AND CONCLUSIONS**

#### **8.1 INTRODUCTION**

In three studies (one qualitative and two experimental), this research examined the effects of consumer-generated advertising on the attitudes, behavioural intentions and memory of viewers. During the qualitative exploratory stage, determinants of CGA effectiveness were identified. Under experimental settings, Study One found which responses salient CGA is likely to produce when the advertising source is not disclosed to participants. In Study Two, the results were extended by investigating how the outcomes of professional and amateur CGA will change after source disclosure under low or high involvement conditions. This study tested three types of advertising source: consumer, company and no source. The overall pattern of results suggests that disclosure of the consumer source is likely to enhance ad evaluations only if the CGA is professionally produced and involvement is low (relative to a control condition in which no information about the ad source is provided). In fact, this research suggests that the interaction effect of Source Awareness, Source Salience and Product Involvement is significant only on the Cognitive component of  $A_{ad}$  and the Attractiveness component of Credibility. This chapter will present a general discussion of the findings. Firstly, it will highlight major theoretical contributions and possible explanations of the results, followed by managerial implications. Finally, limitations and directions for future research will be outlined.

#### **8.2 DISCUSSION OF CGA EFFECTS**

A digital revolution enabled by Web 2.0 has created a shift towards a more 'participatory media culture' (Bruns, 2008; Jenkins, Ford, & Green, 2013). The line between producers and consumers has been eroded (Ritzer et al., 2012; Toffler, 1980), as has that between advertisers and consumers. Virtually anyone can now reshape, reframe and reposition well-known brands by creating their own advertisements. In a networked environment, individuals are therefore exposed to ads from different sources, not only the company itself but also other consumers. While the number of consumers engaged in the

process of ad co-creation is relatively small (Arnhold, 2010; Comor, 2011), the majority of consumers observe and judge the co-creations of others. For this reason, the primary focus of this research was to document the effects of consumer-generated advertising on large audiences, including attitudes, behavioural intentions and brand recall. This was accomplished through three consecutive studies: an exploratory qualitative inquiry, involving focus groups, and two experiments. Results of this mixed method research will be interesting for those who seek to better understand CGA effects and their determinants.

This research provides further insights into our understanding of the similarity between communicator and message receiver. Traditionally, a similar communicator is considered to be more persuasive than a dissimilar communicator (Berscheid, 1966; Mills & Jellison, 1968). However, this research shows that similarity effects have evolved in the digital age, in which the consumer source has become the most frequent similar source in the networked media environment. Studying the phenomenon of consumer-generated advertising (CGA), it is found that disclosure of the consumer source, in fact, is likely to have a small effect. It is also demonstrated that the consumer source alone does not necessarily result in a more favourable responses to the ad. Instead, the positive impact of CGA occurs only under certain conditions.

The present research contributes to the growing literature on CGA by identifying and investigating variables related to the effectiveness of consumer-generated advertising. This study explores the moderating roles of advertising quality (Source Salience) and product involvement. It offers a new perspective, suggesting that the consumer-creator's influence may depend on whether CGA looks professional or amateur, and whether the level of involvement is high or low. This research might be one of the first to observe an interaction effect of ad source, production quality and involvement on attitudes. Others have studied how the consumer source influences individuals' perceptions of ad quality (Lawrence et al., 2013). However, the impact of CGA's production quality on major ad and brand evaluations was not fully determined. In addition, prior research investigated the effects of limited cognitive elaboration on attitudes towards CGA (Thompson & Malaviya, 2013). The current study has developed and tested the Silence-Involvement model of CGA effects to extend previous findings.

### **8.2.1 The Role of Source Salience (Ad Quality)**

The digital networked environment created a new characteristic of the source – Source Salience, which appears to be critical when evaluating user-generated content. Source Salience is a set of easily noticeable cues that provide recipients with a spontaneous awareness of the ad's consumer source. In CGA, it is often associated with amateurism, involving a loss of visual quality, poor acting and immature content, as was discovered during

the focus groups. Therefore, Source Saliency could potentially add another dimension to the traditional conceptualisation of the information source, which incorporates source expertise, trustworthiness (Hovland et al., 1953; McGuire, 1985), attractiveness (McCracken, 1989; McGuire, 1985; Ohanian, 1991), familiarity, power (McGuire, 1985) and similarity (McCracken, 1989; McGuire, 1985).

During the exploratory research stage, it was found that CGA-creators and CGA-viewers may assign different meanings to salient, amateur CGAs. CGA-creators believe that amateur quality suggests higher advertising credibility, indicating a more accurate representation of a product and depicting a true picture of its typical user. Conversely, viewers tend to think that amateur CGA indicates a lower quality product and a “cheaper” brand image, which is often incongruent to their self-identity. Hence, a conflict between brand meanings arises: one co-created and communicated through CGA by consumers-creators, and the other as perceived by the audience. One implication of this research is that marketers can no longer presume that categorical consumer-to-consumer similarity is enough for stimulating a positive response to an advertisement.

CGA-viewers appear to value the symbolic meaning of brands most, allowing them to construct their desired identity (Fournier, 1998; Rosenberg, 1979). They consume brands to enhance and maintain their self-image (Lin & Sung, 2014), and integrate perceived brand identity into self-identity (Hughes & Ahearne, 2010). Individuals therefore tend to favour professional CGAs that increase self-esteem, over amateur CGAs that show the ‘naked truth’ about the product performance. This research suggests that the consumer source could possibly produce a positive effect only if it is introduced in professional-looking ads. In this way, viewers perhaps, become susceptible to the consumption experiences of other consumers, but still are able to sustain an attractive self-image.

Conversely, ‘honest’ consumer-generated advertising, delivered in an amateur form, exhibits the ‘undressed reality’ of what the product is. In doing so, it restricts the consumers’ opportunity to enhance their self-image and to identify with a sophisticated brand, constructed using a set of attractive associations. However, consumers are often driven by latent motives and seek to gain a higher social status by signalling important information to significant others (Hudders, 2012). Brands from professional-looking advertisements best suit this goal, while amateur CGA may not provide any psychological benefit. Unfavourable responses to salient, amateur consumer-generated advertising is underscored by the self-improvement motive, which, in social settings, explains why individuals often choose upward standards when comparing themselves to similar others (Corcoran et al., 2011).



### 8.2.2 The Role of Source Awareness: Effects within the Tripartite Model of Attitude

In this research, disclosure of the consumer source is found to have a cognitive effect. Specifically, Study Two demonstrates that the interaction effect of Source Awareness, Source Salience and Product Involvement is significant only for the Cognitive component of  $A_{ad}$ , representing a small effect size. While it indicates the small magnitude of Source Awareness influence, it is an important contribution in itself because it provides information on how individuals tend to evaluate consumer-generated advertising.

This research shows that a three-way interaction between Source Awareness, Source Salience and Product Involvement significantly impacts on only the Cognitive component of  $A_{ad}$  (see Section 7.5 for discussion of the tripartite model of attitude), and could indicate that the audience is largely engaged in the cognitive elaboration of CGA. Study Two shows that after the consumer source is revealed, under low involvement, participants rate the stimulus ad higher for its importance, helpfulness and usefulness. However, disclosure of the consumer source may not produce any significant difference in the levels of experienced fun, enjoyment, pleasure or interest; those items representing the Affective component of  $A_{ad}$ .

According to Rosenberg and Hovland (1960), the affective component of attitude signifies the overall positive or negative response to an object. The cognitive component, meanwhile, is “made up of beliefs about the potentialities of the attitude object for attaining or blocking the realization of valued states” (as cited in Ajzen, 1989, p. 262). Following this argument, the significant effect on the Cognitive  $A_{ad}$  indicates that individuals share the beliefs that consumer-generated advertising is potentially helpful for realising their personal goals.

After the consumer source is disclosed, CGA becomes a cognitive-based appeal that stimulates people to think. This thought process considers that if the ad of a low involvement product is created by a fellow consumer and it looks professional, it must be more important, helpful and useful than other ads without any identified sources. Meanwhile, the person may not necessarily feel greater pleasure in watching this consumer-generated ad. However, such a lack of affective response does not necessarily significantly reduce the effectiveness of CGA. Thus, attitudes towards CGA are perhaps, based on cognitive rationalising, not on the affect evoked.

Data obtained from the present study indicate that attitudes towards consumer-generated advertising with the source disclosed are likely to be cognition-based. However, Zajonc's (1980) ‘primacy of affect’ principle posits that the emotional or affective qualities of stimuli can be processed more readily than their cognitive attributes (Zajonc, 1980, 1984, 2000). This conceptual conflict may suggest that while watching a consumer-generated advertisement, individuals’ affective responses are subjected to substantial cognitive

reflection. An alternative explanation posits that the cognitive and affective components of attitudes constitute separate and unique sources of information (Edwards, 1992).

Although much extant research has examined the relationship between consumer-generated advertising and attitudes towards the ad (Lawrence et al., 2010; Lawrence et al., 2013; Steyn et al., 2011; Steyn et al., 2010; Thompson & Malaviya, 2013), it has provided contradictory results, identifying both positive and negative effects. The present research is perhaps unique as it highlights the importance of attitude origin in predicting the overall CGA's impact and its evaluative implications. Knowledge of the CGA's attitude origin may help companies offer consumers better, well-considered advertising co-creation tasks.

### **8.2.3 Size Effect**

Importantly, a positive effect of CGA appears to be small. Source effects have been observed to be generally small across different social studies (Wilson & Sherrell, 1993). On average, source manipulations explain 9 per cent of variance among studies reporting significant effects (Wilson & Sherrell, 1993).

Nevertheless, the small size of CGA effects may also be accounted for by growing consumer scepticism in relation to professional-looking consumer-generated advertising. In the absence of an apparent amateur style, perceivers are likely to question the consumer origin of an advertisement. Viewers evaluate more critically the possibility that CGA might represent a manipulative marketing strategy. Thus, when professional CGA exhibits a greater resemblance to traditional advertising, consumers interpret it using their persuasion knowledge, obtained previously during past consumption experiences and socialisation (Friestad & Wright, 1994, 1995, 1999). The Trustworthiness of a CGA-creator therefore should be confirmed by the communicator's intrinsic, non-monetary inspirations, as discovered by Lawrence et al. (2013) and Ertimur and Gilly (2012). However, when a CGA-creator is suspected of having extrinsic motivations, the beneficial effect of disclosing the consumer source inevitably decreases.

### **8.2.4 Credibility: Effects on the Attractiveness Component**

This research demonstrates the nature of CGA's Credibility. Initially, it was hypothesised that individuals would perceive consumer-generated advertising as more credible, based on a similarity between CGA-creators and CGA-viewers (Berscheid, 1966; Mills & Jellison, 1968). However, this logic was not confirmed during the experiments. The first experiment shows that CGA is perceived as less credible than company advertising, when the source is not disclosed. The second experiment reveals that an interaction of Source

Awareness, Source Salience and Product Involvement has a significant effect solely on the Attractiveness component of Credibility. Meanwhile, no significant effects are detected on either the Trustworthiness or Expertise components of Credibility.

These findings provide an important insight into consumer-generated advertising, suggesting that CGA is likely to be more attractive, but not necessarily more credible than ads with no source, provided that CGAs are professionally produced and display low involvement products. These results reaffirm the similarity-attraction hypothesis, which proposes that attractiveness is a positive linear relationship between the proportion of similarity and attraction (Byrne, Clore, & Smeaton, 1986; Byrne et al., 1967; Byrne & Nelson, 1965). Drawing from the overwhelming empirical evidence, researchers believe the similarity effect represents a “law”, or fundamental rule of attraction (Montoya et al., 2008, p. 890).

This research reveals that the Credibility of consumer-generated advertising could be determined by its Attractiveness. Disclosure of the consumer source leads to Attractiveness through the increase of perceived similarity. Meanwhile, a non-significant effect on Expertise implies that the audience would unlikely consider CGA-creators to possess additional knowledge about the product. Moreover, the audience would also unlikely perceive CGA-creators to be trustworthy, meaning that they are disinterested in the communication outcome, and have no intentions to persuade (McGuire, 1985). This is concluded from a non-significant effect on the Trustworthiness component of Credibility. These findings contradict studies by Lawrence et al. (2010, 2013), who found that CGAs are perceived to be more trustworthy than ads with no source (Lawrence et al., 2010; Lawrence et al., 2013). Another conflict is observed with the research by Ertimur and Gilly (2012), who discovered that viewers perceive contest-CGA as credible, unlike unsolicited consumer ads (Ertimur & Gilly, 2012).

### **8.2.5 The Role of Product Involvement**

Elaboration of the CGA-message, including Source Awareness and Source Salience, occurs at different levels of Product Involvement. Consistent with the Elaboration Likelihood Model, this research shows that the consumer information source could meet fewer counter-arguments and be perceived in a more favourable way, so long as it has been elaborated heuristically through the peripheral route of persuasion (Petty & Cacioppo, 1986a). Experiments confirm that Cognitive Attitudes towards CGA are more positive under low involvement conditions. This is when the perceiver has a low motivational state to elaborate the message (Petty & Cacioppo, 1984; Petty & Cacioppo, 1986a), explained by low levels of product self-relevance (Celsi & Olson, 1988; Zaichkowsky, 1985, 1986), low perceived importance, and perceived financial and reputational risks (Laurent & Kapferer, 1985). However, under high involvement conditions, the consumer source is likely to be scrutinised

as an argument through the central route or bias processing, eventually reducing persuasion (Petty & Cacioppo, 1986a).

Current findings support the results of Thompson and Malaviya (2013), who found that the consumer-generated label undermines advertising credibility when viewers have cognitive resources to scrutinise the message. However, when consumers are more distracted and their critical thoughts are limited, the consumer source can serve as a favourable cue for ad evaluation (Thompson & Malaviya, 2013).

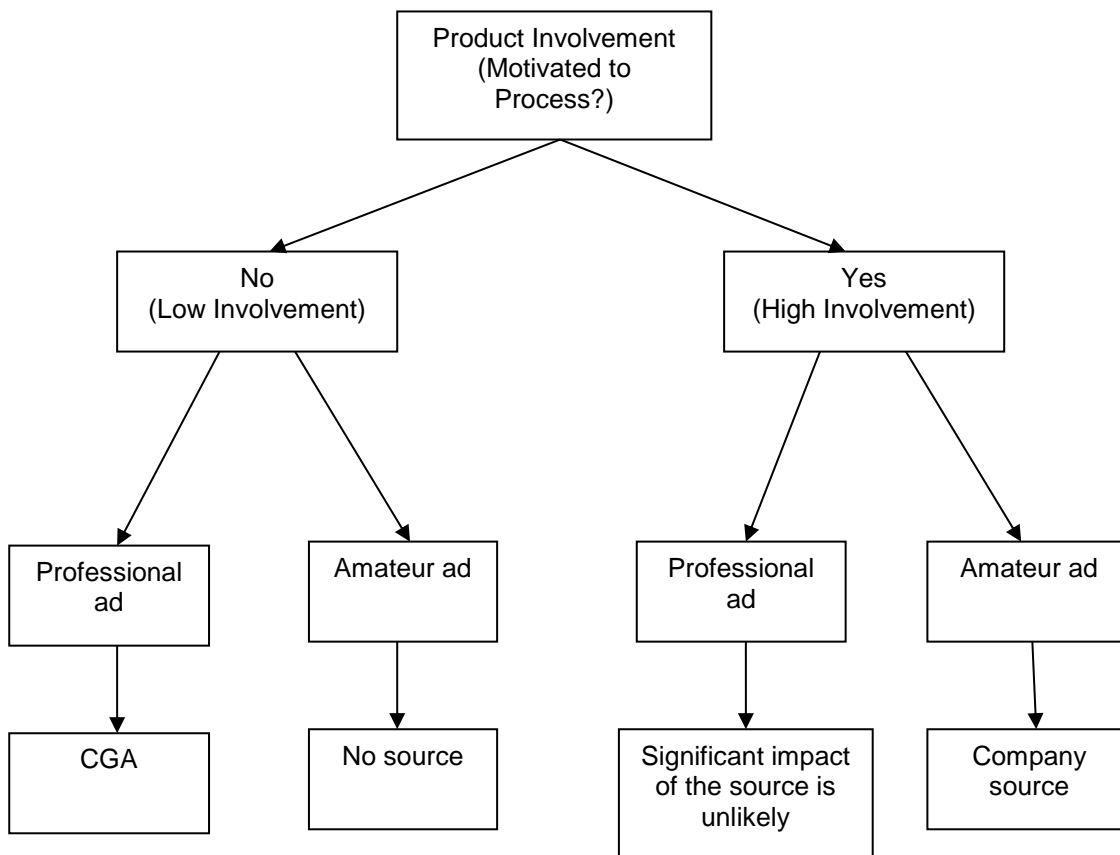
### **8.2.6 Predicting CGA Effectiveness**

The decision tree, pictured in Figure 8-1, displays which source would enhance advertising effectiveness with different values of Source Salience and Product Involvement. In doing so, this research adds to the literature by explaining under which conditions CGA is more likely to produce positive attitudinal responses. This decision tree is based on the results for the variables Cognitive  $A_{ad}$  and Attractiveness obtained from the second experiment.

Findings reveal that disclosure of the consumer source is likely to enhance cognitive attitudes towards advertising only if it has been professionally produced and when involvement is low (relative to a control condition in which no information about the ad source is provided). This preference seems to be based exclusively on the cognitive rationalisation of the potential usefulness of the advertising provided by the fellow consumer. This is supported by the test of H1, which shows that there is a significant effect of the interaction between Source Awareness, Source Salience and Product Involvement on the Cognitive component of  $A_{ad}$ .

The confidence obtained from the positive effect is enhanced by acquiring additional evidence in relation to advertising Attractiveness. It indicates that when involvement is low and the ad is professionally produced, disclosing the consumer source will also enhance its Attractiveness relative to a control condition in which no information about the ad source is provided. This is supported by the results for H2, which show that there is a significant interaction effect between Source Awareness, Source Salience and Product Involvement on the Attractiveness component of Credibility.

**Figure 8-1:** Decision Tree: Attributing ads to the Source Based on Product Involvement and Source Salience (based on the results for Cognitive  $A_{ad}$  and Attractiveness, Study Two)



Additionally, it appears that disclosing the consumer source for CGAs produced by amateurs tends to lead to more negative responses. Therefore, under low involvement, amateur-looking consumer-generated advertising should be broadcasted without its source identified. These findings support the research by Borgida and Beth (1983), who discovered that low-involvement subjects engage in more “top-of-the head” (Taylor & Fiske, 1978), “heuristic” (Chaiken, 1980), or “peripheral” (Petty & Cacioppo, 1981) processing. That is, low-involved individuals are largely influenced by perceptually salient cues than high-involved individuals (Borgida & Beth, 1983).

Under high involvement, disclosing the source of professional ads would be unlikely to have any significant effect. However, if the ad was produced by amateurs, attributing it to the company source can enhance both Cognitive  $A_{ad}$  and Attractiveness. This is supported by an analysis of the plots for three-way interactions (see 7.4.1 and 7.4.2). Additionally, it is supported by the test of H5, which indicates that Source Awareness has a significant positive indirect effect on Cognitive  $A_{ad}$  through Attractiveness, depending on Source Salience and Product Involvement. Specifically, under high involvement, participants who were exposed to amateur advertising with the company source disclosed decide it is more attractive, which is reflected in more positive Cognitive Attitudes towards the Ad ( $A_{ad}$ ). The finding that consumers

experience positive attitudes towards amateur ads labelled with the company source could be explained by the incongruity created between an official source and the unexpected ad quality (Guido, 2001; Lee & Schumann, 2004).

### **8.2.7 Effect on Brand Evaluations**

The current research did not detect any significant effects of Source Awareness on brand evaluations: Attitude towards the Brand ( $A_b$ ), Self-Brand Connection and Emotional Response to Brand. Although a non-significant result provides a reason to reject the alternative hypothesis, it does not provide evidence to accept the null hypothesis (Field, 2013). Therefore, a non-significant effect of the consumer source on brand variables cannot be interpreted as 'no relationship between variables' (Field, 2013). "What a non-significant result tells us is that the effect is not big enough to be found but it doesn't tell us that the effect is zero" (Field, 2013, p. 75).

Prior qualitative research, however, also has not detected a significant effect of CGA on brand perceptions (Campbell et al., 2011a, 2011b; Ertimur & Gilly, 2012). Ertimur and Gilly (2012) suggested that individuals act like ad critics, and therefore CGAs are evaluated as ads quite separately from the products or brands advertised. Similarly, Campbell et al. (2011a, 2011b) also reported that when exposed to CGA, individuals are engaged with the ads, but not with brands. These findings, however, contradict research by Lawrence et al. (2010, 2013), who found that CGAs produce higher interest in the brand (Lawrence et al., 2010), and have a significant positive effect on attitudes towards the brand (Lawrence et al., 2013). Meanwhile, Thompson and Malaviya (2013) highlighted the importance of pre-existing loyalty towards the brand. As their results show, it is one of the factors reducing scepticism and enhancing identification with the ad creator (Thompson & Malaviya, 2013).

Importantly, a single exposure to the stimulus ad may not have an impact on attitude towards the brand.  $A_b$  represents a variable reflecting enduring perceptions that are harder to change. These changes are more likely to be detected through longitudinal studies.

Alternatively, a non-significant effect on brand evaluations may represent an emerging trend for marketing practitioners (Campbell et al., 2011a, 2011b; Ertimur & Gilly, 2012), which may indicate that the impact of watching co-created videos is not the same as the impact of engaging in co-creation. During a co-creation process, consumers-creators are thought to generate added brand value, which provides a unique competitive advantage for companies (Prahalad & Ramaswamy, 2004). However, the data shows the majority of observers, who do not participate in the advertising co-creation process, are unlikely to increase their brand evaluations. Therefore, only a small group of consumers-creators seems to acquire added

brand value through advertising co-creation, and this is not necessarily relevant to viewing audiences.

Alternatively, viewers may become sceptical because of the idea that CGA-creators promote brands for personal gain. Consequently viewers discount their efforts, believing that their actions are economically driven. Concerns related to the financial motivations of consumers-creators were raised both during the qualitative stage of the present research and in previous studies (Lawrence et al., 2013; Steyn et al., 2011; Steyn et al., 2010). As a result, sceptical consumers critically evaluate CGAs instead of engaging directly with the brand, which may lead to lack of influence of the consumer source on brand evaluations.

### **8.2.8 Effects on Creativity**

Whether consumer-generated advertising is perceived as more creative relative to advertising with no source is one of the central questions of interest. Study One shows that under high involvement, CGA and company advertising are perceived as almost equally creative. However, under low involvement, company advertising is perceived as more creative compared to CGA. Study Two revealed no significant effect of either Source Awareness or Source Salience on advertising Creativity. This implies that disclosure of the consumer source will be unlikely to affect perceptions of Creativity. However, it was found that an interaction of Source Salience and Product Involvement significantly influences the Usefulness component of Creativity. Therefore, amateur ads appeared to be more useful under low involvement than professionally produced ads.

In the second experiment, the analysis of variance performed for the subcomponents of Creativity further showed no significant effect on the Novelty subscale, implying that the phenomenon of consumer-generated advertising is no longer perceived as new. In recent years, as CGA has been increasingly used in marketing campaigns, individuals have developed a reasonable amount of persuasion knowledge (Friestad & Wright, 1994, 1995, 1999) regarding CGA, and have started to recognise its persuasive intent (Ertimur & Gilly, 2012). As the data shows, the idea that the ad is consumer-generated is not novel or divergent, and therefore does not produce any change in the perceived creativity level. In addition, as evidenced in these findings, disclosure of the consumer source is also highly unlikely to increase advertising's relevance, which is the second essential determinant of creativity (Amabile, 1983; Amabile & Pillemer, 2012; Smith et al., 2007; Smith & Yang, 2004).

Another possible explanation for the lack of creativity in CGA is that consumer-generated advertising may be perceived simply as the imitation of TV ads. The qualitative

study revealed that CGA creativity should rather be achieved through incongruity with both expectations of how the product/brand is often advertised and the official brand message.

### **8.2.9 Effects on Behavioural Intentions and Entertainment Value**

While analysing the data, a number of contradictions were detected between experimental Study One and Study Two. Given the difference between the findings, the CGA effects on Purchase Intentions, Likelihood to Share and Entertainment Value should be interpreted with caution, and may require further investigation. These contradictions are detailed in the following paragraphs.

Overall, Purchase Intentions are likely to emerge after repeated exposure to advertising, as it is challenging and takes time for marketers to shift existing behavioural predispositions. In this research, after a single ad exposure, a significant impact of Source Awareness on Purchase Intention is not detected. Meanwhile, the effects of Source Salience are found to be inconclusive. The first experiment shows that amateur CGA produces lower Purchase Intentions than professional-looking company ads. However, in Study Two, low-involvement amateur ads with no source produce slightly higher purchase intentions than professional-looking ads. Such a response could be observed because consumers generally see unsolicited consumer-generated advertising as authentic (Ertimur & Gilly, 2012). Although consistent with other results, such as for Cognitive  $A_{ad}$ , Attractiveness and Usefulness, this contradicts findings from Study One.

Likewise, the effects of amateur ads with no source on the Likelihood to Share are also inconclusive. Study One shows that under high involvement, amateur CGA is more likely to be shared than traditional company advertising. According to Study Two, however, the impact on the Likelihood to Share was not detected. A similar pattern was observed for Entertainment Value. Study One indicates a significant interaction between Source Salience and Product Involvement, indicating that under high involvement conditions, amateur CGA is more entertaining than professional company advertising. On the other hand, Study Two demonstrates a significant effect of Source Salience only, signifying that professional-looking ads are more entertaining than amateur-looking ads. Since the measurements used in Study One and Study Two are identical, contradictions between the two studies indicate the possibility of other moderating factors. The origins and function of these factors extend beyond the scope of this study.

Because the effects of Source Salience alone have been mostly inconsistent across the two studies, it is critical how Source Salience is combined with Source Awareness in the development of future messages. Overall, it is reasonable to focus on the moderating effects



of Source Salience, rather than to interpret the differences exclusively between professional and amateur ads.

### **8.2.10 Effects on Brand Recall**

Results for the CGA effects on Brand Recall are inconclusive. The enhanced Aided Brand Recall produced by CGA is observed in Study One, but it is not confirmed in Study Two. The first experiment shows that under low involvement, salient amateur consumer-generated advertising produces higher Brand Recall than company advertising. Meanwhile, the second experiment reveals that under low involvement, CGA is more easily remembered than ads attributed to a company source. However, there is no significant difference in Brand Recall between CGA and ads with no source provided.

A possible explanation for the findings may be related to the process of ad encoding, which is an important determinant of ad accessibility in the memory network (Keller, 1987). Consumers' processing goals affect the resulting nodes and links of the ad memory trace, and how easily information can be retrieved (Keller, 1987). Based on findings, when the source of CGA is not disclosed, individuals may use brand-directed processing goals. Thus, consumers are more inclined to evaluate the merits of an advertised brand (Keller, 1987). However, after the consumer source is revealed, individuals might tend to use ad-directed processing goals. This type of ad processing involves critiquing its entertainment value, or judging how well it was produced and how well it communicates its message (Keller, 1987). This is consistent with the observation that CGA-viewers act like ad critics (Ertimur & Gilly, 2012), and explains why disclosure of the consumer source does not improve brand recall levels compared to the control group. With an ad processing goal, consumers may relate CGA content to existing standards for judging ads, instead of relating it to existing brand or product information stored in the memory.

### **8.2.11 Moderated Mediation Effects**

Study One investigates moderated mediation effects of Source Salience on  $A_{ad}$ . Participants exposed to a high-involvement CGA consider it not credible, which results in less favourable  $A_{ad}$ . On the other hand, participants exposed to a low-involvement CGA consider it not creative, which also results in less favourable  $A_{ad}$ . Therefore, under high involvement, the negative effect of salient amateur CGA occurs through advertising credibility, while under low involvement it occurs through advertising creativity. This is consistent with the Elaboration Likelihood Model, indicating that at the high end of the elaboration continuum, consumers are likely to scrutinise the advertising message as an argument (Petty & Cacioppo, 1984; Petty & Cacioppo, 1986a), and consequently they focus on the CGA's credibility. Under low

involvement, salient CGA is processed more heuristically, and therefore  $A_{ad}$  is mediated by creativity.

Meanwhile, Study Two examines the moderated mediation effects of Source Awareness on Cognitive  $A_{ad}$ . Source Awareness has a significant positive indirect effect on Cognitive  $A_{ad}$  through Attractiveness, which depends on Source Salience and Product Involvement. Specifically, under high involvement, participants exposed to amateur advertising attributed to the company source consider it more attractive, and therefore they demonstrate increased Cognitive Attitude towards the Ad ( $A_{ad}$ ). This is consistent with the similarity-attractiveness model (Byrne, Clore, & Smeaton, 1986; Byrne et al., 1967; Byrne & Nelson, 1965). However, findings reveal the existence of mediation effects of the company source through Attractiveness, albeit there were no moderated mediation effects detected of the consumer source. This may occur because the amateur quality of company ads may be perceived as a creative strategy, while the amateur quality of consumer ads may be associated with the lack of skills, which is common for hobbyists. In addition, there were detected no mediation effects of Source Awareness through Creativity.

## 8.3 MANAGERIAL IMPLICATIONS

These findings have important implications for advertisers who are willing to include consumer-generated advertising in their marketing strategy. According to the results, the positive beliefs about the effectiveness of consumer-generated advertising may be overestimated. CGA is likely to be more effective only under limited conditions. For practitioners it is important to focus on three factors: disclosing the advertising source (Source Awareness), CGA's production quality (Source Salience), and the level of involvement (Product Involvement). Some general recommendations are provided below.

Firstly, drawing from the findings, advertising contests should be conducted among professionals who have experience in filmmaking or advertising. Targeting this particular group of people, marketers will ensure that the quality of submitted CGAs will be relatively professional and, therefore, after disclosure of the consumer source, they might be perceived more favourably. Secondly, this research also includes potentially important managerial insights into the conditions in which amateur consumer-generated advertising can be more effectively used. Findings suggest that if the company acquired amateur CGAs, it is better to run them without disclosing their consumer source. Thirdly, while consumer-generated advertising is commonly used for both high (e.g. Chevrolet, Toyota) and low involvement products (e.g. Doritos, Picnic), the data suggest that CGA should be used more often for low involvement products.

Brand managers are increasingly recognising the advantages of engaging consumers in the advertising co-creation process. According to the concept of co-creation, CGA has been seen as a method for brands to provide greater value and to facilitate deeper connections with consumers. On the one hand, data suggests that under certain conditions, the introduction of the consumer source may enhance advertising responses such as Cognitive  $A_{ad}$  and perceived attractiveness. Yet alternatively, the results might underscore the difficulties in detecting overall effects of consumer-generated advertising on the brand. The non-significant relationship between Source Awareness and a variety of brand evaluations possibly indicates an unlikely impact or one that might occur only after multiple exposures. Therefore, these findings may add fuel to the debate on whether it is worth conducting contests for CGA, considering the possibly small effect on brand attitude and the high risk of losing brand control. Nevertheless, the current research suggests that brand building should not solely rely on a consumer-generated advertising strategy; rather, it might be more sensible to use CGA as a supplementary tool along with other marketing practices.

## 8.4 LIMITATIONS AND FUTURE RESEARCH

Although the present research offers a robust set of studies to test the hypotheses, it is important to address potential limitations and suggest directions for future research. One of the major limitations is related to the nature of the sample. The focus group of CGA-creators consisted of amateur consumers-creators only. Perhaps, interviewing professional CGA-creators would add richer data to the results of the explorative study. Moreover, students represent a big proportion of the samples used for two experimental studies, as most of the participants were recruited through the University of Canterbury and student Facebook groups. Therefore, this research study needs to be replicated with participants from other sections of society. Another limitation is tied to the use of an experimental setting where the quality of the stimulus material may not have been to a level comparable to broadcast media. In addition, participants were limited to a single exposure to the stimulus ads, which in turn makes it more difficult to track changes in more enduring variables such as Attitude towards the Brand, Purchase Intention and Brand Recall. Nevertheless, several directions for future research can be outlined.

The current research could be useful as a starting point for examining how the audience recognises the consumer source in various types of user-generated media content. Accurately recognising the consumer source is particularly important as it changes responses to an advertisement. The qualitative exploration conducted during the first research stage showed that CGA-viewers consider themselves unable to distinguish CGA from advertising produced in a traditional way, unless the ad is explicitly labelled as consumer-generated. CGA-creators, however, believe the consumer source is a two-dimensional construct. Therefore, in advertising, the identification of the consumer source occurs via two different mechanisms or their combination, which for the purpose of this research were termed Source Awareness and Source Salience. Source Awareness implies disclosing the consumer source of a CGA to the audience by demonstrating a relevant subtitle or a label which signals that this particular ad was created by a fellow consumer. Meanwhile, identifying the ad source through Source Salience involves a combination of several cognitive and memory processes, which generate an association among salient cues. Examples are amateurism, the loss of visual quality and poor acting, which all combine to suggest that the ad could possibly be consumer-generated. Ad quality, therefore, can be conceptualised not just as a variable related to advertising design and production, but as an important cue aiding in the identification of the consumer source. Therefore, Source Awareness represents knowing with a high degree of certainty that an ad is consumer-generated, while Source Salience defines the process of concluding or guessing that an ad might be a CGA. It is the interaction of Source Awareness and Source Salience that creates recognition of the consumer source. The initial insight, however, needs further investigation, including a quantitative validation.

Another potential direction for future research is to explore CGA within the theory of social comparisons (Festinger, 1954) and its recent developments (Mussweiler, 2003; Wood, 1989). Disclosing the consumer source to the audience triggers the process of social comparisons during which CGA-viewers compare themselves with CGA-creators. The main assertions of the theory (Festinger, 1954) provide a basis for suggesting that CGA-receivers may make comparisons with fellow creators not only regarding their opinions about the brands, but also regarding their abilities in creating ads. While the original version of Festinger's (1954) theory proposes that individuals compare themselves with similar others to produce an accurate self-evaluation, its contemporary conceptualisation emphasises that individuals are not unbiased self-evaluators and that their motivations play a crucial role in the result of such comparisons (Corcoran et al., 2011; Wood, 1989). Therefore, future research may examine the extent to which similarity testing between CGA-viewers and CGA-creators is represented by upward, accurate or downwards comparisons. The additional evidence of similarity or dissimilarity testing between CGA-viewers and CGA-creators will help to uncover the nature of responses to consumer-generated advertising.

Future research on CGA can benefit from examining the attention given to the 'consumer-generated' label and its optimisation. Source Awareness (CGA label) and Source Salience (ad quality) are both cues related to the consumer source. However, the audience may process them differently. The Elaboration Likelihood Model (ELM) suggests that elaborating of the source information typically requires less cognitive effort and, under low involvement, leads to a peripheral-route attitude change (Petty & Cacioppo, 1984; Petty & Cacioppo, 1986a; Petty & Wegener, 1999). The ELM, however, does not explain the simultaneous processing of two message cues such as Source Awareness and Source Salience. This deficiency may be explained by the studies of salience, combining two research streams: causal attributions to salient objects (Taylor & Fiske, 1978) and visual salience (Guido, 2001; Michael & Gálvez-García, 2011; Schubö, 2009). The 'top of the head phenomenon' suggests that individuals will firstly elaborate information that is more salient (Taylor & Fiske, 1978). Verbal arguments (e.g. CGA label) are more difficult to process than visual information (e.g. ad quality) (Petty & Wegener, 1993). Due to the salience-based hierarchy of attention (Schubö, 2009), the most salient cue, which is amateur ad quality, will acquire attention priority. Attention then will progress from the most salient CGA cue (amateur ad quality) to the less salient CGA cue ('consumer-generated' label) (Michael & Gálvez-García, 2011). Examining the attention priority paid toward different cues of consumer-generated advertising can significantly improve understanding of the phenomenon.

Furthermore, the present research could be extended by examining the effects of constrained and unconstrained creativity in advertising co-creation. When running advertising contests, some companies prefer to constrain consumers' creativity, while performing their

tasks (e.g. Chevrolet, Picnic). Meanwhile, others encourage divergent thinking by providing consumers with unlimited autonomy and freedom (e.g. Doritos). Both strategies attempt to achieve the same goal: to increase consumers' creativity (Burroughs & Mick, 2004). The importance of constraints in creative tasks has been identified by cognitive psychology (Costello & Keane, 2000). Costello and Keane (2000) found that when constraints are active, individuals produce the outcomes in conceptual combination, which appears to be more creative than when constraints are passive. Similarly, consumer research has shown that input constraints encourage more creative processing if individuals are not placed under significant time constraints (Moreau & Dahl, 2005). In practice, the introduction of constraints in advertising co-creation has led to both public scandals and success. There is a limited understanding of how consumers-creators perceive input constraints, what the audience's attitudes towards constrained CGAs are, and what factors could possibly influence those perceptions. Our understanding of the CGA phenomenon will improve by investigating how creativity constraints influence the co-creation process. This may lead to a more systematic framework for predicting CGA's effectiveness.

In addition, future theoretical development could comprise investigation of the asymmetrical advertising co-creation processes and its effects. Observations show that, in reality, consumer and company inputs in the co-created advertisements are usually unequal. In some cases, the consumer's input dominates; for example, when a consumer generates and issues the final product of co-creation in response to a co-creation task offered by a company (e.g. Doritos). In other cases, company inputs dominate. This usually occurs when a company generates and issues the final product of co-creation in response to consumer ideas (e.g. Old Spice). The effects of this asymmetry need to be further studied. In sum, future research should examine how the asymmetrical co-creation process impacts the perception of CGAs.

Another interesting direction for future research relates to the study of CGA endorsers. Forthcoming studies could examine the effects of different types of consumers-endorsers, such as real and impersonated consumers-endorsers. It is obvious that many CGA-creators are actors in their own advertisements. However, recent trends in the market place show an increase in the control of CGA brand communications by the impersonation of real consumers. This is achieved by using professional actors to mimic consumer personalities based on information from their Facebook profiles (e.g. Pepsi). Importantly, everyone is aware that these are impersonations; the consumers gave their consent to be impersonated, while the audience is also informed that the advertisements they are watching are with actors. Given the diversity of personal information contained on Facebook, such a representation of a consumer is likely to be particularly realistic. However, unlike an average CGA, an ad using an impersonated consumer is likely to rate higher in quality and be more entertaining, while preserving the endorser's perceived similarity and trustworthiness. This has been successfully demonstrated

by Pepsi during an online taste test campaign where their product was tested by impersonated consumers on behalf of real consumers (Wasserman, 2012). Nevertheless, there has been little research examining how the audience perceives real consumer-endorsers versus professional actors, and whether social media provides additional credibility to these actors.

In addition, further research could identify the effects of different types of CGAs. Although present research has been limited by using only drama-type ads, in reality, a lot of CGAs are created in the form of product presentation. Typically, these CGAs are simply showing a product throughout the ad with an explanation of how to use it (Ertimur & Gilly, 2012). So far, little is known about the difference in the responses to these two different types of CGA. Consequently, exploring these effects may contribute to the current state of knowledge of consumer-generated advertising.

Finally, more recent approaches used by Rexona and Volkswagen can be investigated as another form of consumer engagement. These companies offer consumers the opportunity to film short videos with their stories of struggles and successes, and they combine the best ones into one consumer-generated advertisement. This form of CGA incorporates multiple consumer voices and expressions. However, it is necessary to examine the effectiveness of this marketing strategy compared to individual non-edited CGAs.

It is hoped that this research has provided detailed view on the attitudinal, behavioural and memory effects of CGA, and will help to spur further academic interest in the topic of consumer-generated advertising.

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# APPENDIX I

## Guide for Focus Group One with Consumers-Viewers

1. Tell us your name, what you are studying and what activities you enjoy most in your free time.
2. Now we are going to watch a number of consumer-generated ads. While you are watching, please consider what you like more: traditional company ads or consumer-generated ads?
3. What do you like best about consumer-generated ads?
4. What do you like least about consumer-generated ads?
5. What type of advertising would you trust and believe more – consumer-generated or company ads? Why?
6. What can make consumer-generated ads more persuasive?
7. What characteristics of consumer-generated ads can make you want to buy a product?
8. Would you like to watch some of these ads again?  
How would you feel if you saw consumer-generated ads repeatedly on TV?
9. Now we are going to watch several examples of professional-looking CGAs. While you are watching, please consider how you feel about professionally produced consumer-generated ads that are difficult to distinguish from commercials created by advertising agencies.
10. Watching some ads, it is apparent that they were created by a consumer. However, the origin of some ads cannot be readily identified. It is unclear whether they were created by the company or consumers. What do you think about it? What type of ads would you believe more? Which ads – amateur or professional – were more persuasive?
11. What kind of information about a CGA-creator would you like to know? How would this information change your attitude towards the ad?
12. Think about one of your favourite expensive brands (for example, a car or designer clothing). How would you feel if you saw home-made consumer-generated ads about these brands? To what extent might your purchasing intentions change?
13. What does successful consumer-generated advertising look like? On a piece of paper, please write a list of characteristics of a successful consumer-generated ad, and rate them (1 – the most important, 2 – less important, etc.)
14. Would you like to create an ad for a well-known brand by yourself?
15. If you had a chance to give a piece of advice to a marketing manager planning to use consumer-generated advertising to promote his or her product, what would you say?

16. During this focus group we intended to investigate the effectiveness of consumer-generated advertising. Is there anything that we missed? Is there anything that you wanted to say, but did not have a chance?

### **Guide for Focus Group Two with CGA-Creators**

1. Please introduce yourself and discuss the role you played in creating a CGA.
2. Why did you decide to create an advertisement?
3. What effect did you want to produce on your audience?
4. Is your ad somehow different from ads created by advertising agencies? In what way?
5. What advertising type is more credible: company advertising or consumer-generated advertising?
6. Would you prefer to act in the ad by yourself, or employ professional actors?
7. Is it necessary to notify the audience that the advertising they are watching is consumer-generated?
17. Now we are going to watch several examples of professional-looking CGAs. While you are watching, please consider how you feel about professionally produced consumer-generated ads that are difficult to distinguish from commercials created by advertising agencies.
8. Which consumer ads – amateur or professional – are more persuasive?
9. Which products are best suited to consumer-generated advertising?
10. Imagine if consumer-generated ads were repeatedly broadcasted on TV, similar to traditional company advertising. What would be the effect?
11. Does consumer-generated advertising best suit well-known or less popular brands?
12. What does effective consumer-generated advertising look like?
13. How should other consumers be encouraged to create ads?
14. If you had a chance to give a piece of advice to a marketing manager planning to use consumer-generated advertising to promote his or her product, what would you say?
15. During this focus group we intended to investigate the effectiveness of consumer-generated advertising. Is there anything that we missed? Is there anything that you wanted to say, but did not have a chance?

## APPENDIX II

### Questions/Measurement Scales for Experimental Studies

#### Introduction

Dear Participant,

You are invited to take part in our research project examining the effects of TV advertising. Taking our online survey you may win an iPod! It will be awarded to a randomly selected participant at the end of the survey period. Your first impressions and opinions are extremely important for us. You will be asked to watch a TV ad and answer some questions. The questionnaire will take approximately 10 minutes to complete. Your responses will remain confidential. We will not ask you to reveal your identity. Remember that there are no right or wrong answers. You can spend as much time as you like on each page and when you are finished, just click on the bottom link to proceed to the next page. If you have any questions, please feel free to e-mail Dr David Fortin or Kate Surovaya. Good luck!

**Q2: Please click on the screen to watch the ad<sup>8</sup>**

☐ I finished watching this ad (1)

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<sup>8</sup> Participants were randomly assigned to one of the experimental conditions using an online randomisation tool.

## Section A: Advertisement

**Q3: How would you rate the ad?**

- ☐ Bad
- ☐ Poor
- ☐ Fair
- ☐ Good
- ☐ Excellent

**Q4: How do you feel about the advertisement you have seen?**

Fun to see	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Not fun to see
Pleasant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Unpleasant
Entertaining	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Not entertaining
Enjoyable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Not enjoyable
Important	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Not important
Helpful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Non helpful
Informative	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Uninformative
Useful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Useless
Making me curious	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Not making me curious
Not boring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Boring
Interesting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Not interesting

**Q5: How do you feel about the characters in the advertisement you have just seen?**

Attractive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Unattractive
Classy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Not classy
Beautiful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Ugly
Elegant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Plain
Sexy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Not sexy
Undependable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Dependable
Honest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Dishonest
Reliable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Unreliable
Sincere	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insincere
Trustworthy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Untrustworthy
Expert	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Not an expert
Experienced	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Inexperienced
Knowledgeable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Unknowledgeable
Qualified	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Unqualified
Skilled	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Unskilled

**Q6: Using the following statements to fill in the blank, indicate the extent to which you agree with the statement:**

I was \_\_\_\_\_ the content of the advertisement.  
(1 - strongly disagree, 7 - strongly agree)

	1 (Strongly disagree)	2	3	4	5	6	7 (Strongly agree)
paying attention to	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
concentrating on	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
thinking about	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
focusing on	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
spending effort looking at	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
carefully reading	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Q7: How do you feel about the content of the advertisement you have just seen?**  
 (1 - strongly disagree, 7 - strongly agree)

	1 (Strongly disagree)	2	3	4	5	6	7 (Strongly agree)
This ad is original	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad is different from my expectations of TV ads	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad is memorable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad is visually interesting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad is interesting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad is different	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad is believable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad provides relevant information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad does a good job of presenting the product's benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad does a good job of building the product's image	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad provides practical information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**Q8: How do you feel about the entertainment value of the advertisement you have just seen?**

(1 - strongly disagree, 7 - strongly agree)

	1 (Strongly disagree)	2	3	4	5	6	7 (Strongly agree)
The ad was lots of fun to watch and to listen to	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I thought it was clever and quite entertaining	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The ad wasn't just selling the product – it was entertaining me. I appreciated that	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I just laughed at it – I thought it was very funny and good	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Section B: Memory

**Q9: Thinking about what you have just seen, can you remember the brand of the product advertised there?**

- ☐ No
- ☐ If yes, please enter the brand name: \_\_\_\_\_

**Q10: Please indicate those brands you can remember being advertised.**

	I remember this brand being advertised	I don't remember this brand being advertised
Chevrolet	<input type="radio"/>	<input type="radio"/>
Mazda	<input type="radio"/>	<input type="radio"/>
Nissan	<input type="radio"/>	<input type="radio"/>

## Section C: Brand

**Q11: You've just watched an ad on a Chevrolet car. How do you feel about this brand?**

Favourable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Unfavourable
I like this brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I dislike this brand
It's a high quality brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	It's a poor quality brand
It's appealing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	It's unappealing

**Q12: How do you feel about Chevrolet advertised here?**

(1 - strongly disagree, 7 - strongly agree)

	1 (Strongly disagree)	2	3	4	5	6	7 (Strongly agree)
This brand reflects who I am	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can identify with this brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel a personal connection with this brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I use this brand to communicate who I am to other people	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think this brand helps me become the type of person I want to be	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I consider this brand to be "me" (it reflects who I consider myself to be or the way that I want to present myself to others)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This brand suits me well	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Q13: How do you feel about the brand advertised here?**

Hate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Love
Sad	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Delighted
Annoyed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Happy
Tense	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Calm
Bored	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Excited
Angry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Relaxed
Disgusted	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Accepting
Sorrow	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Joy

**Q14: How involved are you with the product category (cars) that was advertised in the ad?**

(1 - strongly disagree, 7 - strongly agree)

	1 (Strongly disagree)	2	3	4	5	6	7 (Strongly agree)
In general, cars are very important to me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In general, cars matter a lot to me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In general, I have a strong interest in cars	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In general, cars are very relevant to me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I get bored when other people talk to me about cars	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Section D: Behaviour

**Q15: Would you be likely to share this ad electronically with your friends?**

Unlikely	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Likely
Improbable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Probable
Probably would not	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Probably would
Definitely would not	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Definitely would
Non-existent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Existent
Impossible	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Possible
Uncertain	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Certain

**Q16: Interest in future purchase:**

	Extremely unlikely	Somewhat unlikely	Neutral	Somewhat likely	Extremely likely
If you were in the market to buy a car, how likely are you to buy Chevrolet?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The probability that I will purchase Chevrolet is	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If I were in the market to buy a car, I would consider buying Chevrolet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Section E: Advertising in General

**Q17:** What do you think about consumer-generated advertising (ads created by consumers) in general?

(1 - strongly disagree, 7 - strongly agree)

	1 (Strongly disagree)	2	3	4	5	6	7 (Strongly agree)
We can depend on getting the truth in most consumer-generated advertisements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Consumer-generated advertising's aim is to inform the consumer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe consumer-generated advertising is informative	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Consumer-generated advertising is generally truthful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Consumer-generated advertising is a reliable source of information about the quality and performance of products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Consumer-generated advertising is truth well told	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In general, consumer-generated advertising presents a true picture of the product being advertised	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel I have been accurately informed after viewing most consumer-generated ads	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Most consumer-generated ads provide consumers with essential information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Section F: About You

Your task is almost completed! Now we need some background information for statistical purposes.

### Q18: What is your gender?

- ☐ Male
- ☐ Female

### Q19: How old are you?

- ☐ Under 13
- ☐ 13-17
- ☐ 18-25
- ☐ 26-34
- ☐ 35-54
- ☐ 55-64
- ☐ 65 or over \_\_\_\_\_

### Q20: Please indicate your occupation:

- ☐ Management, professionals, and related
- ☐ Service
- ☐ Sales and office
- ☐ Farming, fishing, and forestry
- ☐ Construction, extraction, and maintenance
- ☐ Production, transportation, and material moving
- ☐ Government
- ☐ Retired
- ☐ Unemployed
- ☐ Student
- ☐ Other

### Q21: What is your annual income range?

- ☐ Below \$20,000
- ☐ \$20,000 - \$29,999
- ☐ \$30,000 - \$39,999
- ☐ \$40,000 - \$49,999
- ☐ \$50,000 - \$59,999
- ☐ \$60,000 - \$69,999
- ☐ \$70,000 - \$79,999
- ☐ \$80,000 - \$89,999
- ☐ \$90,000 or more

**Q22: What is the highest level of education you have completed?**

- ☐ Less than high school
- ☐ High school
- ☐ College
- ☐ Bachelor's degree
- ☐ Postgraduate Diploma
- ☐ Master's degree
- ☐ PhD

**Q23: Please indicate your current family structure:**

- ☐ Single without children
- ☐ Single with children
- ☐ Married without children
- ☐ Married with children
- ☐ Life partner without children
- ☐ Life partner with children

**Q24: Please enter your e-mail address below so that you can be contacted if you win an iPod:**

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Thank you!!!

## APPENDIX III

### Factor Analysis, Scale Reliability and Data Distribution

#### 1. STUDY ONE

##### 1.1 Exploratory Factor Analysis and Scale Reliability

Following the socio-demographic analysis, the scale's structure was examined using Exploratory Factor Analysis with Varimax rotation. Varimax rotation was selected because it maximises the spread of loadings within factors; it loads a smaller number of variables on each factor, producing more interpretable clusters of factors (Field, 2013). According to Kaiser (1960), all the factors were retained with an eigenvalue greater than 1. Factor loadings with an absolute value greater than .5 were interpreted, which explains around 25 per cent of the variance in the variable (Field, 2013). Loadings that scored greater than .5 for two or more items were viewed as cross-loadings. Communalities (the proportion of common variance in the variable) above .4 were considered adequate (Field, 2013). For the Kaiser-Meyer-Olkin measure of sampling adequacy (KMO), values greater than .7 were considered acceptable. Barlett's test of sphericity was conducted to identify whether the correlation matrix is significantly different from an identity matrix (i.e. all correlation coefficients are close to zero). Yet in large samples, Barlett's test is almost always significant (Field, 2013). The data were also checked for multicollinearity by analysing the determinant of the R-matrix (Field, 2013). Factor analysis for each dependent variable is reported below, and the results are summarised in Table 6-3.

##### *Attitude towards the Ad*

A principle axis factor analysis was conducted on the 11 items of the scale measuring Attitude towards the Ad ( $A_{ad}$ ). The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis,  $KMO = .886$  (which is 'meritorious' according to Hutchenson and Sofroniou, 1999), and all KMO values for individual items were greater than .517, which is above the acceptable limit. Barlett's test was significant:  $\chi^2(55) = 2115.88, p < .001$ . The scree plot showed two factors which were retained. Seven items (AA1 – AA4, AA9-AA11) loaded onto factor one. Meanwhile, four items (AA5 – AA8) loaded onto factor two. The items that clustered on the same factor suggest that factor one represents the affective component of  $A_{ad}$ , and factor two represents the cognitive component of  $A_{ad}$ . After rotation, the affective and cognitive components account for 42.3 and 30.5 per cent of variance in  $A_{ad}$  respectively.



## ***Credibility***

A principle axis factor analysis was conducted on the 15 items of the Credibility scale. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis: KMO = .902 ('marvellous' according to Hutchenson and Sofroniou, 1999). Barlett's test was significant:  $\chi^2(105) = 2739.64$ ,  $p < .001$ . The low communality score (.047 after extraction) resulted in the removal of one factor (C6 "Undependable – Dependable"). After the item deletion, overall KMO = .905 and all KMO values for individual items were greater than .646, which is above the acceptable limit of .5. A scree plot identified three factors that were retained. Five items (C11 – C15) loaded onto factor one, which relates to the Expertise component of Credibility, and after rotation explains 28.6 per cent of variance. Four items (C7 – C10) loaded onto factor two, which represents the Trustworthy component of Credibility and explains 23.9 per cent of variance. Finally, five items (C1 – C5) associated with the Attractiveness component of Credibility loaded onto factor three and account for 21.1 per cent of variance.

## ***Creativity***

A principle axis factor analysis was conducted on the ten items of the Creativity scale. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis: KMO = .886 ('meritorious' according to Hutchenson and Sofroniou, 1999). All KMO values for individual items were greater than .580, which is above the acceptable limit. Barlett's test was significant,  $\chi^2(55) = 1858.9$ ,  $p < .001$ . The scree plot showed two factors that were retained. Six items (CREA1 – CREA6) loaded onto factor one, which is related to the Novelty component of Creativity. Meanwhile, five items (CREA7 – CREA11) loaded onto factor two, which represents the Usefulness component of Creativity. After rotation, factors one and two explain 36.7 and 31.8 per cent of variance in the Creativity variable respectively.

## ***Entertainment value***

A principle axis factor analysis was conducted on the four items of the scale measuring the Entertainment Value of advertising. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis: KMO = .828 ('meritorious' according to Hutchenson and Sofroniou, 1999). All KMO values for individual items were greater than .839, which is considerably above the acceptable limit of .5. Barlett's test was significant:  $\chi^2(6) = 801.67$ ,  $p < .001$ . Based on the scree plot, only one factor was extracted (EV1 – EV4), which explains 80.2 per cent of its variance.

### ***Attitude towards the Brand***

A principle axis factor analysis was conducted on the four items of the Attitude towards the Brand scale. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis: KMO = .834 ('meritorious' according to Hutchenson and Sofroniou, 1999). All KMO values for individual items were greater than .734, which is considerably above the acceptable limit of .5. Barlett's test was significant:  $\chi^2(6) = 639.8$ ,  $p < .001$ . The factor analysis produced a single factor (AB1-AB4), which after extraction explains 74.4 per cent of the variance in Attitude towards the Brand.

### ***Self-Brand Connection***

A principle axis factor analysis was conducted on the seven items of the scale measuring Self-Brand Connection. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis: KMO = .895 ('meritorious' according to Hutchenson and Sofroniou, 1999). All KMO values for individual items were greater than .827, which is considerably above the acceptable limit of .5. Barlett's test was significant:  $\chi^2(21) = 1958.15$ ,  $p < .001$ . A scree plot identified a single factor (SBC1 – SBC7), which after extraction explains 80.2 per cent of variance in Self-Brand Connection.

### ***Emotional Response to Brand***

A principle axis factor analysis was conducted on the eight items of Emotional Response to Brand. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis: KMO = .899 ('meritorious' according to Hutchenson and Sofroniou, 1999). All KMO values for individual items were greater than .654, which is above the acceptable limit. Barlett's test was significant:  $\chi^2(28) = 1343.076$ ,  $p < .001$ . Only one factor was extracted (ERB1 – ERB8), which explains 64.2 per cent of variance in Emotional Response to Brand.

### ***Likelihood to Share***

A principle axis factor analysis was conducted on the seven items of the scale measuring Likelihood to Share. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis: KMO = .907 ('marvellous' according to Hutchenson and Sofroniou, 1999). Barlett's test was significant:  $\chi^2(21) = 2187.62$ ,  $p < .001$ . However, the low communalities score (.342 after extraction) resulted in removal of one item (LS7 "Uncertain – Certain"). After deletion of this item, KMO = .895 and all KMO values for individual items were greater than .812, which is substantially above the acceptable limit. Based on the scree plot, a single item was extracted (LS1-LS6), which explains 85.2 per cent of variance in Likelihood to Share.

### ***Purchase Intentions***

A principle axis factor analysis was conducted on the three items of the Purchase Intention measurement scale. A single factor was extracted. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis: KMO = .757 ('middling' according to Hutchenson and Sofroniou, 1999). All KMO values for individual items were greater than .905, which is significantly above the acceptable limit of .5. Barlett's test was significant:  $\chi^2(3) = 761.02$ ,  $p < .001$ . The single factor (PI1 – PI3) after extraction explains 89.8 per cent of variance in the Purchase Intention variable.

### ***Product Category Involvement***

A principle axis factor analysis was conducted on the five items of the scale measuring Product Category Involvement. Due to the low communalities score (.206 after extraction), one item was removed (PCI5 "I'm get bored when I'm been told about the product"). After the item removal, the value for KMO equalled .854 ('meritorious' according to Hutchenson and Sofroniou, 1999). All KMO values for individual items were greater than .881, which is significantly above the acceptable limit of .5. Barlett's test was significant:  $\chi^2(6) = 997.006$ ,  $p < .001$ . As a result, a single factor was extracted (PCI1 – PCI4), which explains 85.8 per cent of variance in Product Category Involvement.

### ***Consumer Scepticism***

A principle axis factor analysis was conducted on the nine items of the Consumer Scepticism measurement scale. It produced a single factor, with KMO = .930, and Barlett's test  $\chi^2(36) = 2075.5$ ,  $p < .001$ . The extracted factor (CS1 – CS9) explains 72.2 per cent of variance in Consumer Scepticism.

### ***Internal Reliability***

To validate the questionnaire, dependent measures were tested for reliability using the Cronbach's Alpha procedure. Before the test, all scale items were checked on reverse phrasing. Reliability analysis was conducted using the 'Scale if item deleted option', which showed that no items caused a substantial decrease in  $\alpha$ . All scales displayed high reliability. The Cronbach's Alpha values ranged from .914 to .970 (see Table 6-3), meaning that each measure in the questionnaire consistently reflected the construct it was measuring.

After factor and reliability analyses, the data were transformed. The total value for each variable was computed by calculating an average of the corresponding items, which were retained after the dimension reduction.

**Table 9-1:** Results for Factor Analysis, Study One (Item loadings after the dimension reduction)

Scale	Coding	Items	Eigen-values	% of Variance	Cronbach's Alpha	Item's Loading / Components		
						1	2	3
Attitude towards the ad	AA3	Entertaining – Not entertaining	4.649	42.27	.926	.916		
	AA10	Not boring – Boring				.876		
	AA1	Fun to see – Not fun to see				.873		
	AA4	Enjoyable – Not enjoyable				.871		
	AA11	Interesting – Not interesting				.789		
	AA2	Pleasant – Unpleasant				.667		
	AA9	Making me curious – Not making me curious				.517		
	AA6	Helpful – Not helpful	3.357	30.52			.934	
	AA8	Useful – Useless					.801	
	AA7	Informative – Uninformative					.797	
	AA5	Important – Not important					.761	
Credibility	C15	Skilled – Unskilled	4.000	28.57	.936	.844		
	C11	Expert – Not an expert				.812		
	C12	Experienced – Inexperienced				.804		
	C13	Knowledgeable – Unknowledgeable				.794		
	C14	Qualified – Unqualified				.760		
	C7	Honest – Dishonest	3.347	23.91			.848	
	C8	Reliable – Unreliable					.843	
	C9	Sincere – Insincere					.832	
	C10	Trustworthy – Untrustworthy					.765	
	C3	Beautiful – Ugly	3.096	22.11				.793
	C5	Sexy – Not sexy						.772
	C1	Attractive – Unattractive						.724
	C4	Elegant – Plain						.709
	C2	Classy – Not classy						.646
Creativity	CREA6	This ad is different	4.042	36.74	.914	.867		
	CREA3	This ad is memorable				.860		
	CREA1	This ad is original				.833		
	CREA2	This ad is different from my expectations of TV ads				.789		
	CREA5	This ad is interesting				.751		
	CREA4	This ad is visually interesting				.654		
	CREA9	This ad does a good job of presenting the product's benefits	3.497	31.79			.865	
	CREA8	This ad provides relevant information					.862	
	CREA11	This ad provides practical information					.848	
	CREA10	This ad does a good job of building the product's image					.648	
	CREA7	This ad is believable					.580	
Entertainment Value	EV1	This ad was lots of fun to watch and to listen to	3.206	80.15	.941	.930		
	EV2	I thought it was clever and quite entertaining				.928		
	EV3	The ad wasn't just selling the product – it was entertaining me. I appreciated that				.881		
	EV4	I just laughed at it – I thought it was very funny and good				.839		
Attitude towards	AB2	I like this brand – I dislike this brand	2.975	74.37	.918	.909		

Scale	Coding	Items	Eigen- values	% of Variance	Cron- bach's Alpha	Item's Loading / Components		
						1	2	3
the brand	AB4	It's appealing – It's unappealing				.901		
	AB1	Favourable – Unfavourable				.894		
	AB3	It's a high quality brand – It's a poor quality brand				.734		
Self-Brand Conne- ction	SBC6	I consider this brand to be "me" (it reflects who I consider myself to be or the way that I want to present myself to others)	5.616	80.22	.966	.937		
	SBC4	I use this brand to communicate who I am to other people				.917		
	SBC3	I feel a personal connection with this brand				.915		
	SBC1	This brand reflects who I am				.912		
	SBC5	I think this brand helps me become the type of person I want to be				.896		
	SBC7	This brand suits me well				.861		
	SBC2	I can identify with this brand				.827		
Emotional response to brand	ERB3	Annoyed – Happy	5.131	64.14	.930	.877		
	ERB8	Sorrow – Joy				.869		
	ERB7	Disgusted – Accepting				.853		
	ERB2	Sad – Delighted				.849		
	ERB1	Hate – Love				.792		
	ERB6	Angry – Relaxed				.763		
	ERB5	Bored – Excited				.722		
Likelihood to share	ERB4	Tense – Calm				.654		
	LS3	Probably would not – Probably would	5.114	85.23	.970	.955		
	LS2	Improbable – Probable				.954		
	LS1	Unlikely – Likely				.950		
	LS4	Definitely would not – Definitely would				.949		
	LS5	Non-existent – Existent				.911		
Purchase Intention	LS6	Impossible – Possible				.812		
	PI1	If you were in the market to buy ____, how likely are you to buy this Brand?	2.694	89.81	.962	.979		
	PI2	The probability that I will purchase this Brand is				.958		
Product Category Involve- ment	PI3	If I were in the market to buy ____, I would consider buying this Brand				.905		
	PCI2	In general, the product matters a lot to me	3.433	85.82	.960	.961		
	PCI1	In general, the product is very important to me				.952		
	PCI4	In general, the product is very relevant to me				.909		
Consumer Scepticism	PCI3	In general, I have a strong interest in the product				.881		
	CS7	In general, advertising presents a true picture of the product being advertised	6.590	73.23	.960	.910		
	CS5	Advertising is a reliable source of information about the quality and performance				.903		

Scale	Coding	Items	Eigen- values	% of Variance	Cron- bach's Alpha	Item's Loading / Components		
						1	2	3
	CS8	of products I feel I have been accurately informed after viewing most ads				.899		
	CS6	Advertising is truth well told				.896		
	CS4	Advertising is generally truthful				.881		
	CS9	Most ads provide consumers with essential information				.858		
	CS1	We can depend on getting the truth in most advertisements				.844		
	CS3	I believe advertising is informative				.781		
	CS2	Advertising's aim is to inform the consumer				.710		

Note: Cronbach's Alpha is provided for the overall scales

## 1.2 Data Distribution

To check the assumption of data normality visually, histograms with a distribution curve and Q-Q plots were performed for all dependent variables. In addition, data normality was explored using statistics for skewness and kurtosis. Z-scores for skewness were calculated using the formula  $z_{\text{skewness}} = \text{Skewness} / \text{SE}$  (standard error for skewness) (Field, 2013). Z-scores for kurtosis were calculated using the formula  $z_{\text{kurtosis}} = \text{Kurtosis} / \text{SE}$  (standard error for kurtosis) (Field, 2013).

The Attitude towards the Ad appears to be normally distributed, with  $z_{\text{skewness}} = .775$  and  $z_{\text{kurtosis}} = -.470$ , and it therefore falls within the acceptable range of -1.96 and 1.96 (Field, 2013). This is also supported by a non-significant Kolmogorov-Smirnov test ( $p = .200$ ), which indicates that the data do not significantly deviate from a normal distribution. In addition, the Q-Q plot shows that the cases represent a straight line and therefore follow a normal distribution.

The results of Kolmogorov-Smirnov test for the rest of variables are significant ( $p < .05$ ), suggesting that the data are significantly different from a normal distribution (see Table 6-6). Credibility has a positive kurtosis ( $z_{\text{kurtosis}} = 4.128$ ), making it leptokurtic with heavy tails (Field, 2013) (see Figure 6-1). Creativity is approximately normally distributed due to the straight line on the Q-Q plot and acceptable z-scores ( $z_{\text{skewness}} = .881$  and  $z_{\text{kurtosis}} = -1.464$ ). Entertainment Value is positively skewed ( $z_{\text{skewness}} = 1.710$ ) and has a negative kurtosis ( $z_{\text{kurtosis}} = -2.729$ ), making it slightly platykurtic. The Attitude towards the Brand is slightly negatively skewed ( $z_{\text{skewness}} = -2.338$ ) and leptokurtic ( $z_{\text{kurtosis}} = 1.214$ ). Self-Brand Connection and Likelihood to Share are highly positively skewed ( $z_{\text{skewness}} = 7.302$  and  $z_{\text{skewness}} = 7.112$  respectively). The Emotional Response to Brand is pointy and leptokurtic ( $z_{\text{kurtosis}} = 3.833$ ).

Meanwhile, Product Category Involvement and Purchase Intention are platykurtic ( $z_{kurtosis} = -3.429$  and  $z_{kurtosis} = -3.467$  respectively). Finally, the distribution of Consumer Scepticism is slightly positively skewed ( $z_{skewness} = 2.509$ ) and has multiple modes.

However, according to the central limit theorem, in large samples it can be expected that the data are normally distributed (Field, 2013). The central limit theorem holds that there are a variety of situations when data normality can be assumed, regardless of the shape of the sample data (Field, 2013). According to this theorem, in large samples the estimate will have come from a normal distribution (Field, 2013). The widely accepted sample size for indicating that the central limit theorem can be applied is 30 (Field, 2013). Since in this experiment the number of participants in each group was 52, which is considerably greater than 30, the shape of the collected data would not affect the significance of the results. Therefore, data analysis could be performed using parametric statistical tests.

**Table 9-2:** Values for Skewness, Kurtosis and z-scores

Variable	Skewness		Kurtosis		$Z_{skewness}$	$Z_{kurtosis}$
	Statistics	SE	Statistics	SE		
Attitude towards the Ad	.131	.169	-.158	.336	.775	-.470
Credibility	.113	.169	1.387	.336	.669	4.128
Creativity	.149	.169	-.492	.336	.881	-1.464
Entertainment Value	.289	.169	-.917	.336	1.710	-2.729
Attitude towards the Brand	-.395	.169	.408	.336	-2.338	1.214
Self-Brand Connection	1.234	.169	.625	.336	7.302	1.860
Emotional Response to Brand	.309	.169	1.288	.336	1.828	3.833
Product Category Involvement	-.017	.169	-1.152	.336	-.101	-3.429
Likelihood to Share	1.202	.169	.473	.336	7.112	1.408
Purchase Intention	.070	.169	-1.165	.336	0.414	-3.467
Consumer Scepticism	.424	.169	-.370	.336	2.509	-1.101

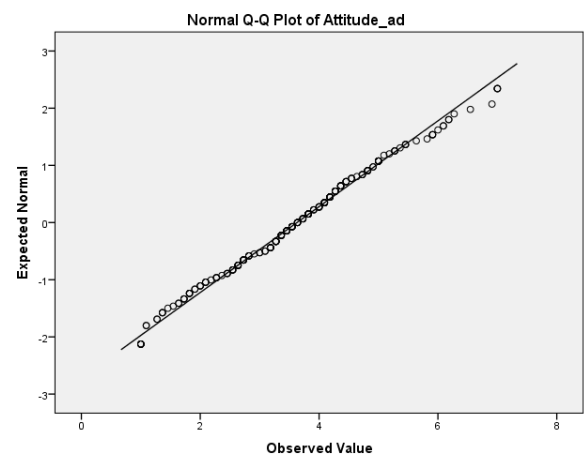
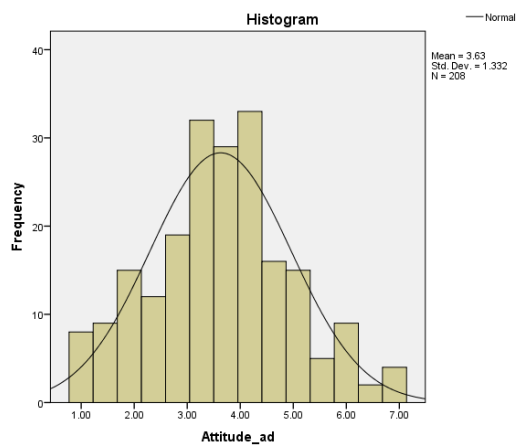
SE – standards error for skewness and kurtosis

**Figure 9-1** Normality Plots

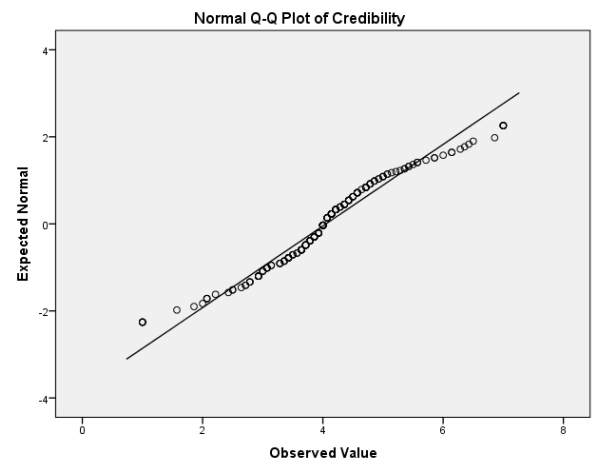
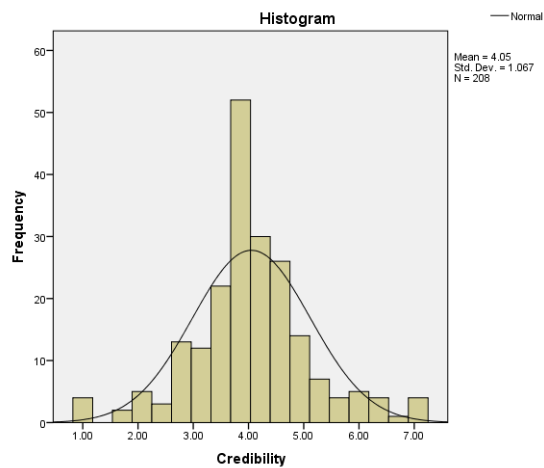
*Histogram*

*Q-Q Plot*

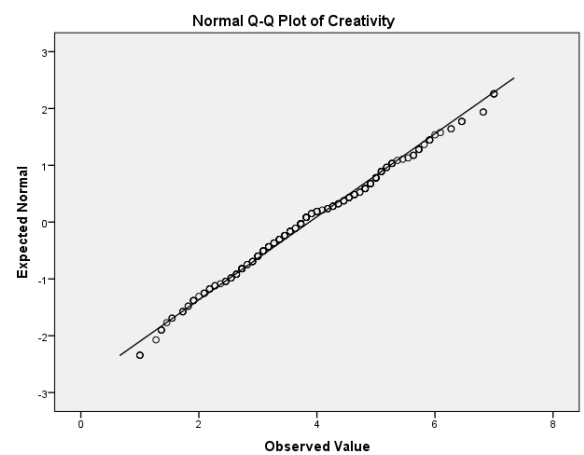
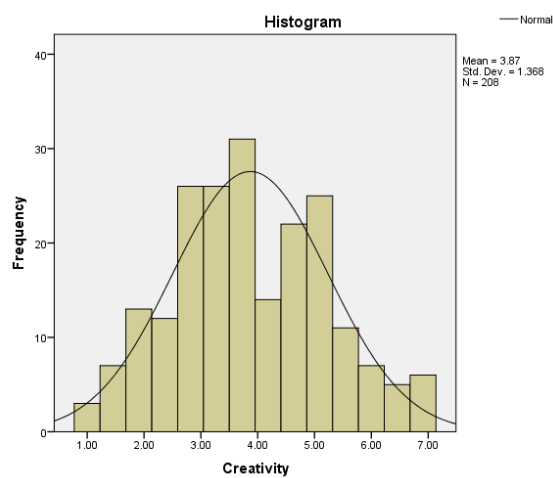
Attitude towards the Ad



Credibility



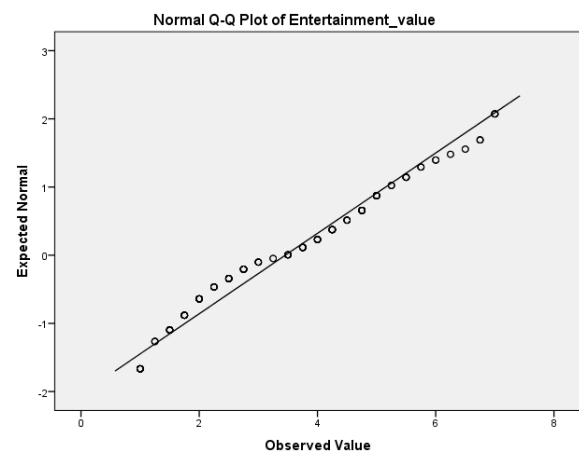
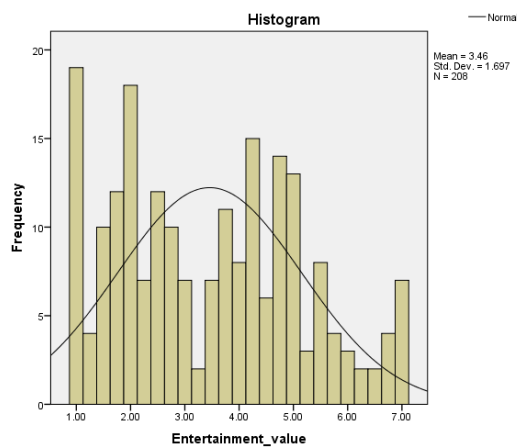
Creativity





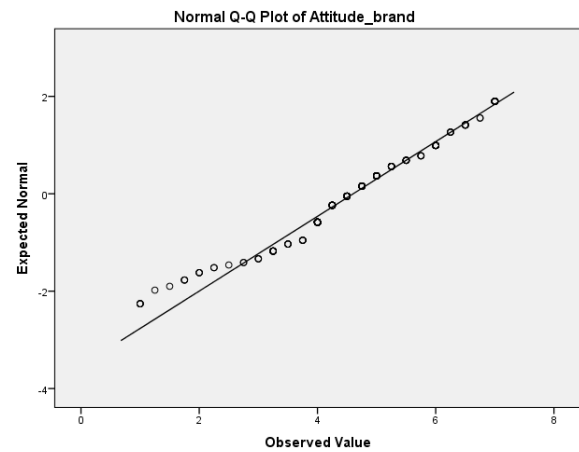
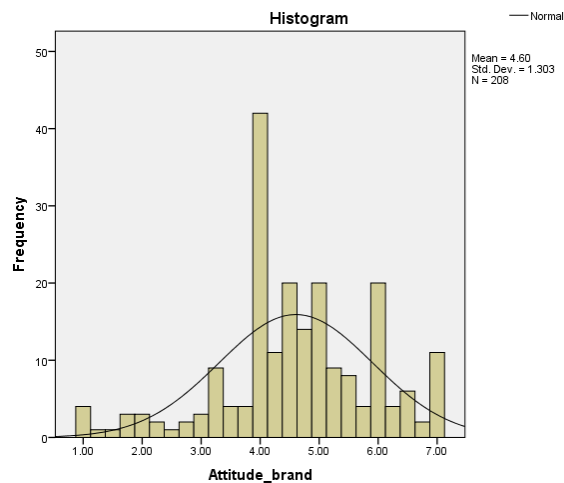
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## Entertainment Value



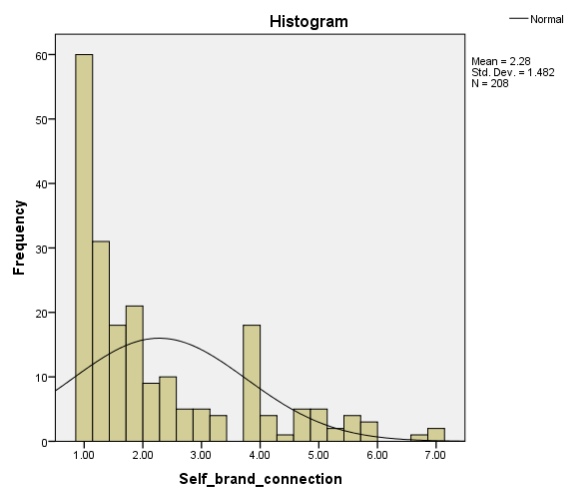
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## Attitude towards the Brand



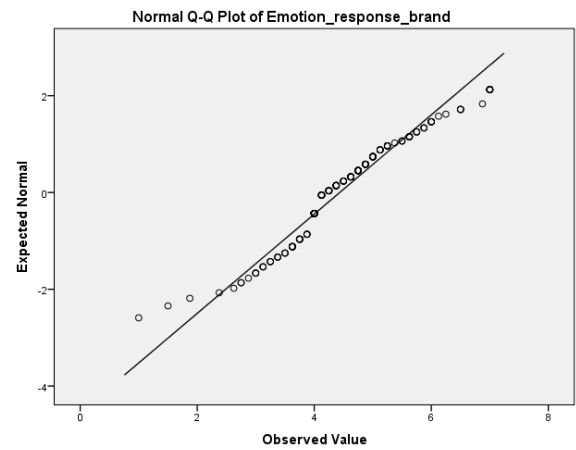
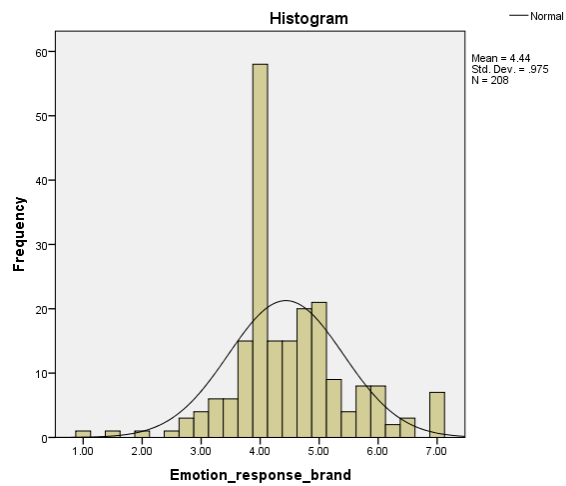
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## Self-Brand Connection



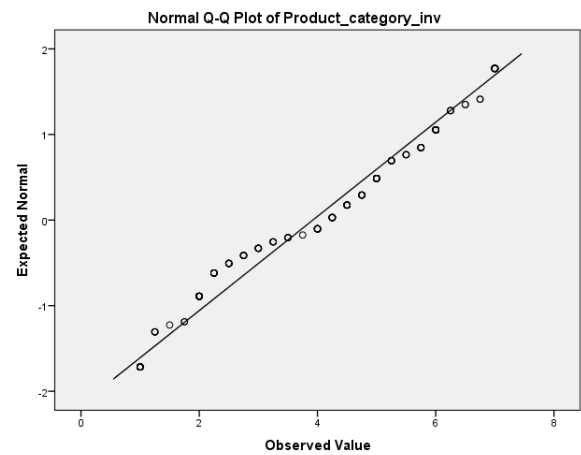
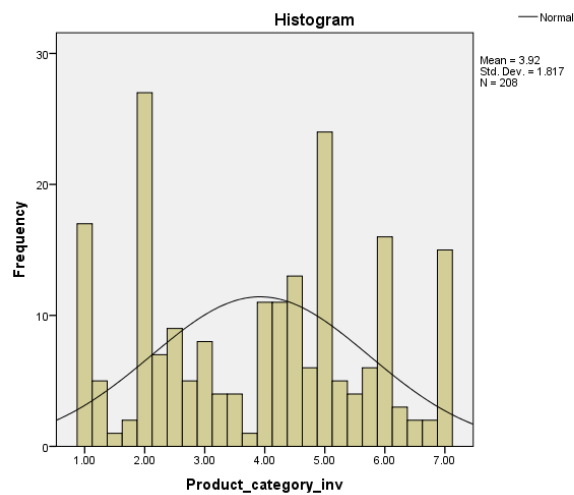
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## Emotional Response to Brand



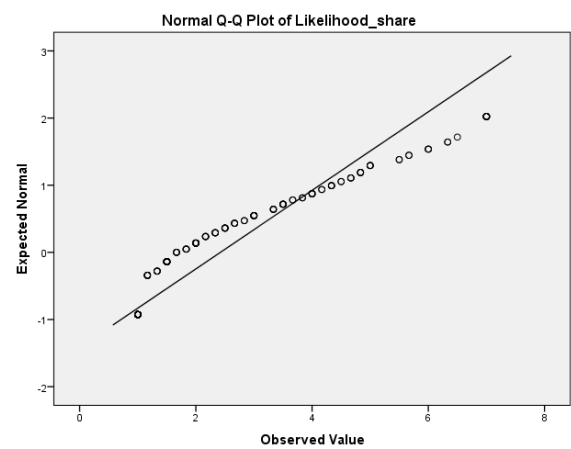
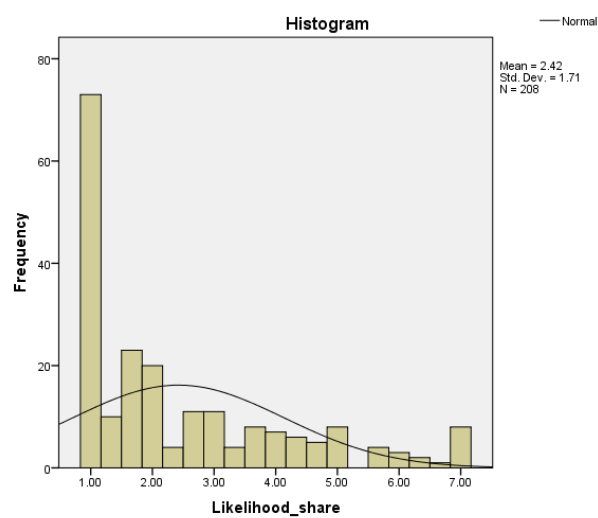
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## Product Category Involvement

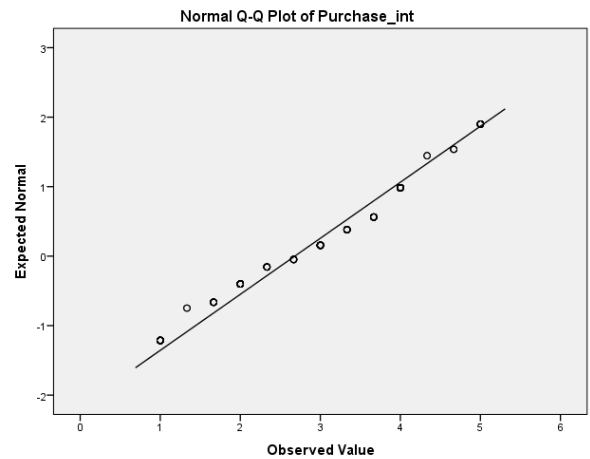
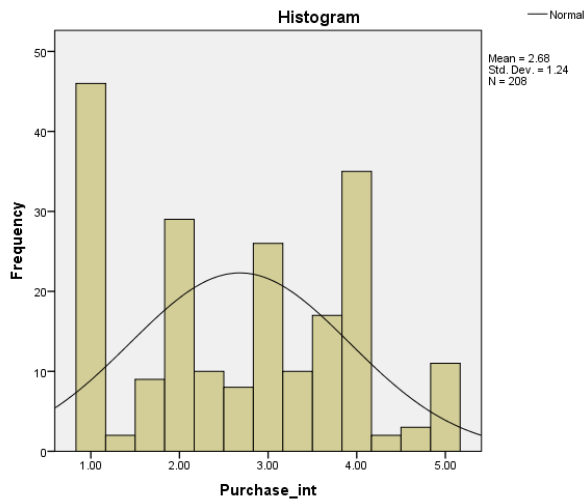


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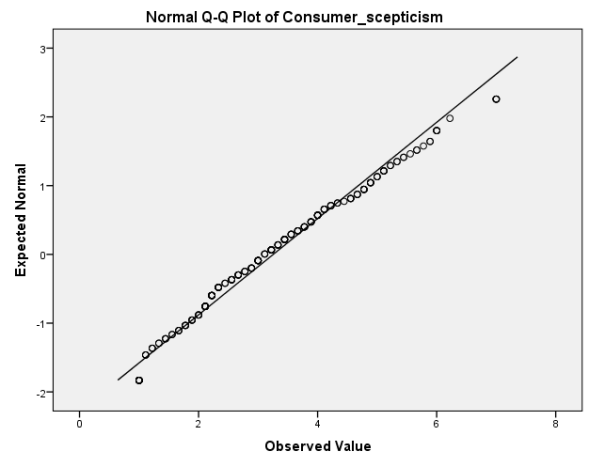
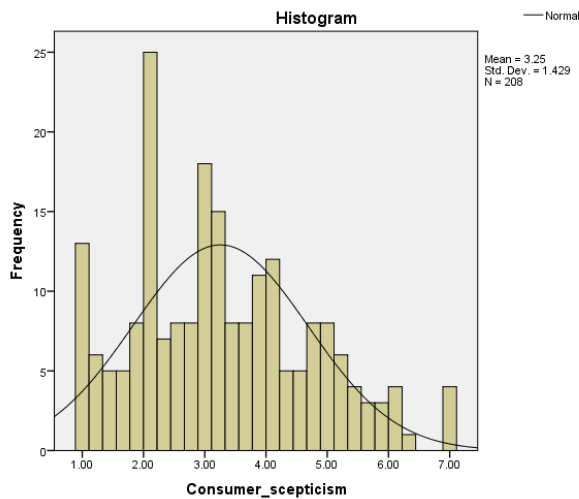
## Likelihood to Share



## Purchase Intention



## Consumer Scepticism



**Table 9-3: Tests of Normality**

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Attitude towards the Ad	.056	208	.200	.987	208	.055
Credibility	.097	208	.000	.960	208	.000
Creativity	.068	208	.020	.988	208	.080
Entertainment Value	.108	208	.000	.950	208	.000
Attitude towards the Brand	.143	208	.000	.961	208	.000
Self-Brand Connection	.199	208	.000	.820	208	.000
Emotional Response to Brand	.134	208	.000	.948	208	.000
Product Category Involvement	.110	208	.000	.944	208	.000
Likelihood to Share	.203	208	.000	.809	208	.000
Purchase Intention	.134	208	.000	.918	208	.000
Consumer Scepticism	.072	208	.010	.971	208	.000

## 2. STUDY TWO

### 2.1 Exploratory Factor Analysis and Scale Reliability

Study Two uses exactly the same measurement scales as Study One. To check that the factors were being held within the new dataset, a principle axis factor analysis was performed using the same specifications as in Study One (see 6.3.2). Eigenvalues, proportion of explained variance, and the final item loadings are presented in the Table 7-3.

#### ***Attitude towards the Ad***

A principle axis factor analysis was conducted on the 11 items of the scale measuring Attitude towards the ad ( $A_{ad}$ ). The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis ( $KMO = .917$ : 'marvellous' according to Hutchenson and Sofroniou, 1999), and all KMO values for individual items were greater than .563, which is above the acceptable limit. Barlett's test was significant ( $\chi^2(55) = 6803.73$ ,  $p < .000$ ). The scree plot showed two factors that were retained. Six items (AA1 – AA4, AA10 and AA11) loaded onto factor 1. Meanwhile, five items (AA5 – AA9) loaded onto factor 2. The items that cluster on the same factor suggest that factor 1 represents the cognitive component of  $A_{ad}$ , and factor 2 represents the affective component of  $A_{ad}$ . After rotation, the affective and cognitive components accounted for 43.16 and 33.01 per cent of variance in  $A_{ad}$  respectively.

#### ***Credibility***

A principle axis factor analysis was conducted on the 14 items of the Credibility scale. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis ( $KMO = .933$ : 'marvellous' according to Hutchenson and Sofroniou, 1999), and all KMO values for individual items were greater than .675, which is above the acceptable limit of .5. Barlett's test was significant ( $\chi^2(91) = 7146.66$ ,  $p < .001$ ). A scree plot identified three factors that were retained. Five items (C1 – C5) loaded onto factor 1, which relates to the Attractiveness component of Credibility and after rotation explained 25.86 per cent of variance. Five items (C11 – C15) loaded onto factor 2, which represents the Expertise component of Credibility and explained 25.04 per cent of variance. Finally, four items (C7 – C10) associated with the Trustworthiness component of Credibility loaded onto factor 3 and accounted for 21.84 per cent of variance.

#### ***Creativity***

A principle axis factor analysis was conducted on the ten items of the Creativity scale. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis ( $KMO = .874$ : 'meritorious' according to Hutchenson and Sofroniou, 1999), and all KMO values for

individual items were greater than .548, which is above the acceptable limit. Barlett's test was significant ( $\chi^2(55) = 4646.58$ ,  $p < .001$ ). The scree plot showed two factors that were retained. Six items (CREA1 – CREA6) loaded onto factor 1, which is related to the Novelty component of Creativity. Meanwhile, five items (CREA7 – CREA11) loaded onto factor 2, which represents the Usefulness component of Creativity. After rotation, factors 1 and 2 explained 34.53 and 28.27 per cent of variance in the Creativity variable respectively.

### ***Entertainment value***

A principle axis factor analysis was conducted on the four items of the scale measuring Entertainment Value in advertising. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis (KMO = .850: 'meritorious' according to Hutchenson and Sofroniou, 1999), and all KMO values for individual items were greater than .843, which is considerably above the acceptable limit of .5. Barlett's test was significant ( $\chi^2(6) = 2458.16$ ,  $p < .001$ ). Based on the scree plot, only one factor was extracted (EV1 – EV4), which after extraction explained 81.92 per cent of its variance.

### ***Attitude towards the Brand***

A principle axis factor analysis was conducted on the four items of the Attitude towards the Brand measurement scale. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis (KMO = .826: 'meritorious' according to Hutchenson and Sofroniou, 1999), and all KMO values for individual items were greater than .790, which is considerably above the acceptable limit of .5. Barlett's test was significant ( $\chi^2(6) = 2004.76$ ,  $p < .001$ ). The factor analysis produced a single factor (AB1-AB4), which after extraction explained 76.48 per cent of the variance.

### ***Self-Brand Connection***

A principle axis factor analysis was conducted on the seven items of the scale measuring Self-Brand Connection. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis (KMO = .905: 'marvelous' according to Hutchenson and Sofroniou, 1999), and all KMO values for individual items were greater than .780, which is considerably above the acceptable limit of .5. Barlett's test was significant ( $\chi^2(21) = 5335.92$ ,  $p < .001$ ). A scree plot identified a single factor (SBC1 – SBC7), which after extraction explained 77.17 per cent of variance in Self-Brand Connection.

### ***Emotional Response to Brand***

A principle axis factor analysis was conducted on the eight items of the scale measuring Emotional Response to Brand. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis (KMO = .903: 'marvelous' according to Hutchenson and Sofroniou, 1999), and all KMO values for individual items were greater than .624, which is above the acceptable limit. Barlett's test was significant ( $\chi^2(28) = 3604.07$ ,  $p < .001$ ). Only one factor was extracted (ERB1 – ERB8), which after extraction explained 61.76 per cent of variance in Emotional Response to Brand.

### ***Likelihood to Share***

A principle axis factor analysis was conducted on the six items of the scale measuring Likelihood to Share. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis (KMO = .911: 'marvellous' according to Hutchenson and Sofroniou, 1999), and all KMO values for individual items were greater than .854, which is substantially above the acceptable limit. Barlett's test was significant ( $\chi^2(15) = 5668.56$ ,  $p < .001$ ). Based on the scree plot, a single item was extracted (LS1-LS6), which explained 86.25 per cent of variance in Likelihood to Share.

### ***Purchase Intentions***

A principle axis factor analysis was conducted on the three items of the Purchase Intention measurement scale. A single factor was extracted. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis (KMO = .699: 'middling' according to Hutchenson and Sofroniou, 1999), and all KMO values for individual items were greater than .730, which is significantly above the acceptable limit of .5. Barlett's test was significant ( $\chi^2(3) = 1404.72$ ,  $p < .001$ ). The single factor (PI1 – PI3) after extraction explained 77.66 per cent of variance in Purchase Intention.

### ***Product Category Involvement***

A principle axis factor analysis was conducted on the four items of the scale measuring Product Category Involvement. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis (KMO = .841: 'meritorious' according to Hutchenson and Sofroniou, 1999), and all KMO values for individual items were greater than .902, which is significantly above the acceptable limit of .5. Barlett's test was significant ( $\chi^2(6) = 3086.45$ ,  $p < .001$ ). As a result, a single factor was extracted (PCI1 – PCI4), which explained 86.97 per cent of variance in Product Category Involvement.

## Consumer Scepticism

A principle axis factor analysis was conducted on the nine items of the Consumer Scepticism scale. It produced a single factor (KMO = .944, Barlett's test  $\chi^2(36) = 5438.57$ ,  $p < .001$ ). The extracted factor (CS1 – CS9) explained 70.72 per cent of variance in Consumer Scepticism.

## Internal Reliability

To validate the questionnaire, dependent measures were tested for reliability using the Cronbach's Alpha procedure. Before the test, all scale items were checked on reverse phrasing. Reliability analysis was conducted using the 'Scale if item deleted option', which showed that no items caused a substantial decrease in  $\alpha$ . All scales displayed high reliability. The Cronbach's Alpha values ranged from .896 to .973 (see Table 7-3), meaning that each measure in the questionnaire consistently reflected the construct it was measuring.

After factor and reliability analyses, the data were transformed. The total value for the variables was computed by calculating an average of all items in the scale, which were retained after the dimension reduction.

**Table 9-4:** Results for Factor Analysis, Study Two (Item loadings after the dimension reduction)

Scale	Coding	Items	Eigen-values	% of Variance	Cronbach's Alpha	Item's Loading / Components		
						1	2	3
Attitude towards the ad	AA4	Enjoyable – Not enjoyable	4.748	43.16	.938	.898		
	AA1	Fun to see – Not fun to see				.895		
	AA3	Entertaining – Not entertaining				.880		
	AA10	Not boring – Boring				.836		
	AA2	Pleasant – Unpleasant				.801		
	AA11	Interesting – Not interesting				.788		
	AA6	Helpful – Not helpful	3.631	33.01			.895	
	AA8	Useful – Useless					.853	
	AA7	Informative – Uninformative					.853	
	AA5	Important – Not important					.758	
	AA9	Making me curious – Not making me curious					.563	
Credibility	C2	Classy – Not classy	3.620	25.86	.937	.806		
	C4	Elegant – Plain				.786		
	C1	Attractive – Unattractive				.773		
	C3	Beautiful – Ugly				.770		
	C5	Sexy – Not sexy				.727		
	C13	Knowledgeable – Unknowledgeable	3.505	25.04			.803	
	C15	Skilled – Unskilled					.782	

Scale	Coding	Items	Eigen- values	% of Varian- ce	Cron- bach's Alpha	Item's Loading / Components		
						1	2	3
Creativity	C14	Qualified – Unqualified	3.057	21.84			.774	
	C12	Experienced – Inexperienced					.746	
	C11	Expert – Not an expert					.675	
	C10	Trustworthy – Untrustworthy						.801
	C7	Honest – Dishonest						.797
	C9	Sincere – Insincere						.793
	C8	Reliable – Unreliable						.768
	CREA3	This ad is memorable	3.799	34.53	.896	.821		
	CREA5	This ad is interesting				.785		
	CREA6	This ad is different				.782		
	CREA4	This ad is visually interesting				.773		
	CREA1	This ad is original				.766		
	CREA2	This ad is different from my expectations of TV ads				.631		
	CREA11	This ad provides practical information	3.110	28.27			.886	
Entertainment Value	EV2	I thought it was clever and quite entertaining	3.277	81.92	.947	.949		
	EV1	This ad was lots of fun to watch and to listen to				.935		
	EV3	The ad wasn't just selling the product – it was entertaining me. I appreciated that				.889		
	EV4	I just laughed at it – I thought it was very funny and good				.843		
Attitude towards the brand	AB2	I like this brand – I dislike this brand	3.059	76.48	.928	.906		
	AB4	It's appealing – It's unappealing				.902		
	AB1	Favourable – Unfavourable				.895		
	AB3	It's a high quality brand – It's a poor quality brand				.790		
Self-Brand Conne- ction	SBC4	I use this brand to communicate who I am to other people	5.402	77.17	.959	.928		
	SBC6	I consider this brand to be "me" (it reflects who I consider myself to be or the way that I want to present myself to others)				.908		
	SBC3	I feel a personal connection with this brand				.895		
	SBC5	I think this brand helps me become the type of person I want to be				.881		
	SBC7	This brand suits me well				.878		
	SBC1	This brand reflects who I				.872		



Scale	Coding	Items	Eigen- values	% of Varian- ce	Cron- bach's Alpha	Item's Loading / Components		
						1	2	3
	SBC2	am I can identify with this brand				.780		
Emotional response to brand	ERB3	Annoyed – Happy	4.938	61.76	.925	.882		
	ERB2	Sad – Delighted				.847		
	ERB8	Sorrow – Joy				.817		
	ERB1	Hate – Love				.792		
	ERB7	Disgusted – Accepting				.791		
	ERB5	Bored – Excited				.781		
	ERB6	Angry – Relaxed				.723		
	ERB4	Tense – Calm				.624		
Likelihood to share	LS2	Improbable – Probable	5.175	86.25	.973	.950		
	LS3	Probably would not – Probably would				.948		
	LS5	Non-existent – Existent				.942		
	LS1	Unlikely – Likely				.942		
	LS4	Definitely would not – Definitely would				.932		
	LS6	Impossible – Possible				.854		
Purchase Intention	PI1	If you were in the market to buy ____, how likely are you to buy this Brand?	2.330	77.66	.903	.965		
	PI2	The probability that I will purchase this Brand is				.930		
	PI3	If I were in the market to buy ____, I would consider buying this Brand				.730		
Product Category Involve- ment	PCI2	In general, the product matters a lot to me	3.479	86.97	.964	.970		
	PCI1	In general, the product is very important to me				.939		
	PCI3	In general, I have a strong interest in the product				.917		
	PCI4	In general, the product is very relevant to me				.902		
Consumer Scepticism	CS5	Advertising is a reliable source of information about the quality and performance of products	6.365	70.72	.954	.914		
	CS6	Advertising is truth well told				.911		
	CS8	I feel I have been accurately informed after viewing most ads				.894		
	CS7	In general, advertising presents a true picture of the product being advertised				.879		
	CS4	Advertising is generally truthful				.840		
	CS9	Most ads provide consumers with essential information				.829		
	CS1	We can depend on getting the truth in most advertisements				.800		
	CS3	I believe advertising is informative				.778		
	CS2	Advertising's aim is to inform the consumer				.699		

Note: Cronbach's Alpha is provided for the overall scales

## 2.2 Data Distribution

The assumption of data normality was tested using histograms with a distribution curve, Q-Q plots, a Kolmogorov-Smirnov test and statistics for skewness and kurtosis. Z-scores for skewness were calculated using the formula  $z_{\text{skewness}} = \text{Skewness} / \text{SE}$  (standard error for skewness) (Field, 2013). Z-scores for kurtosis were calculated using the formula  $z_{\text{kurtosis}} = \text{Kurtosis} / \text{SE}$  (standard error for kurtosis) (Field, 2013).

The Kolmogorov-Smirnov test of normality shows that none of the variables are normally distributed ( $p < .001$ ) (see Table 7-6). Z-scores in combination with histograms and Q-Q plots (see Figure 7-1), however, indicate that Credibility ( $z_{\text{skewness}} = .98$  and  $z_{\text{kurtosis}} = -0.643$ ) and Creativity ( $z_{\text{skewness}} = -0.06$  and  $z_{\text{kurtosis}} = -1.799$ ) follow a normal distribution. Attitude towards the Ad ( $z_{\text{kurtosis}} = -2.905$ ) and Entertainment Value ( $z_{\text{kurtosis}} = -5.482$ ) are found to be platykurtic. Attitude towards the Brand is negatively skewed ( $z_{\text{skewness}} = -2.84$ ), while Self-Brand Connection is positively skewed ( $z_{\text{skewness}} = 9.61$ ). Emotional Response to Brand is slightly leptokurtic ( $z_{\text{kurtosis}} = 2.513$ ). Product Category Involvement ( $z_{\text{skewness}} = 3.54$ ,  $z_{\text{kurtosis}} = -4.688$ ), Likelihood to Share ( $z_{\text{skewness}} = 7.27$ ,  $z_{\text{kurtosis}} = -2.804$ ) and Consumer Scepticism ( $z_{\text{skewness}} = 3.21$ ,  $z_{\text{kurtosis}} = -1.874$ ) are both positively skewed and platykurtic, while Purchase Intentions is negatively skewed and platykurtic ( $z_{\text{skewness}} = -0.56$ ,  $z_{\text{kurtosis}} = -4.593$ ).

However, according to the central limit theorem, in the large samples data normality can be assumed regardless the shape of the distribution (Field, 2013). During this experiment, 50 participants were obtained per experimental condition, which exceeds the minimum requirement of 30 people for a sample size (Field, 2013). Therefore, the normality assumption was met and parametric tests could be used for analysis (Field, 2013).

**Table 9-5:** Values for Skewness, Kurtosis and z-scores

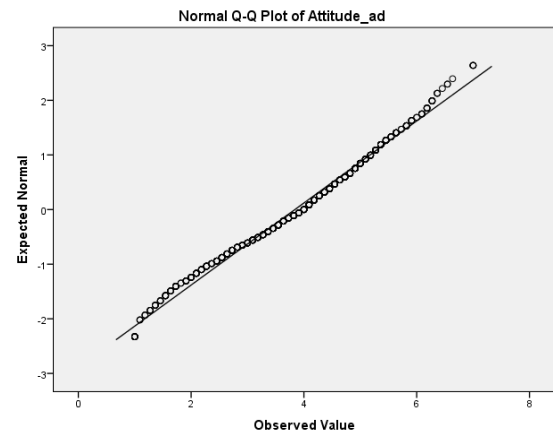
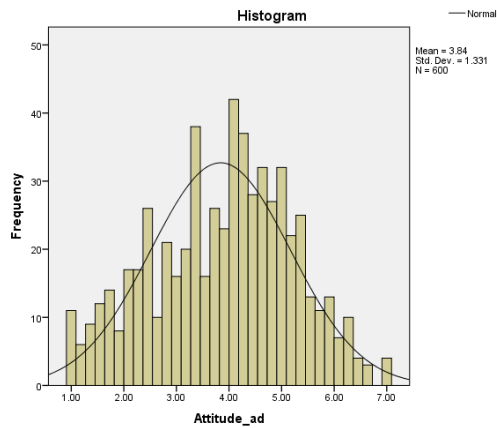
Variable	Skewness		Kurtosis		$Z_{\text{skewness}}$	$Z_{\text{kurtosis}}$
	Statistics	SE	Statistics	SE		
Attitude towards the Ad	-.180	.100	-.578	.199	-1.8	-2.905
Credibility	.098	.100	-.128	.199	0.98	-0.643
Creativity	-.006	.100	-.358	.199	-0.06	-1.799
Entertainment Value	-.121	.100	-1.091	.199	-1.21	-5.482
Attitude towards the Brand	-.284	.100	-.312	.199	-2.84	-1.568
Self-Brand Connection	.961	.100	.285	.199	9.61	1.432
Emotional Response to Brand	.077	.100	.500	.199	0.77	2.513
Product Category Involvement	.354	.100	-.933	.199	3.54	-4.688
Likelihood to Share	.727	.100	-.558	.199	7.27	-2.804
Purchase Intention	-.056	.100	-.914	.199	-0.56	-4.593
Consumer Scepticism	.321	.100	-.373	.199	3.21	-1.874

**Figure 9-2** Normality Plots

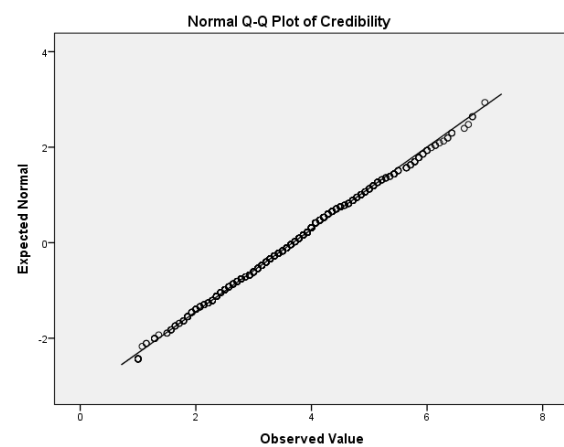
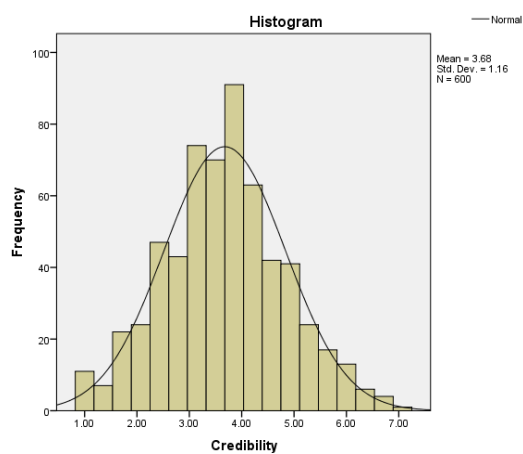
*Histogram*

*Q-Q Plot*

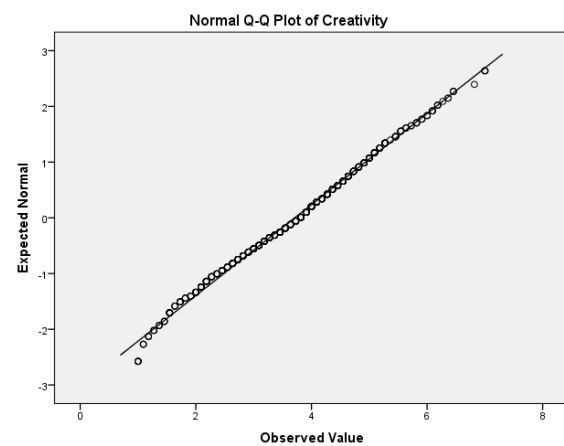
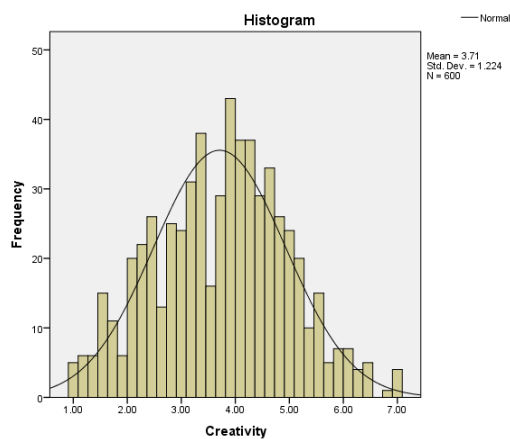
Attitude towards the Ad



Credibility

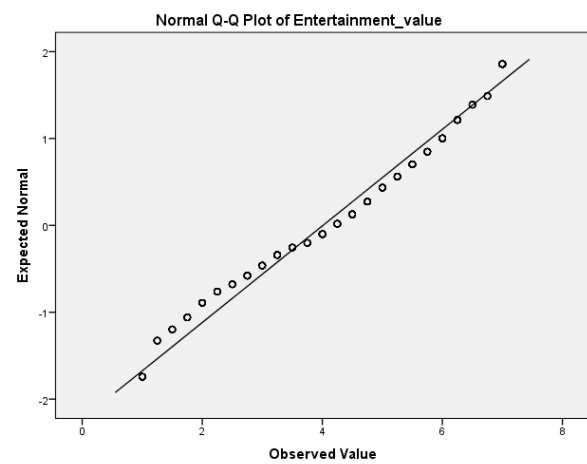
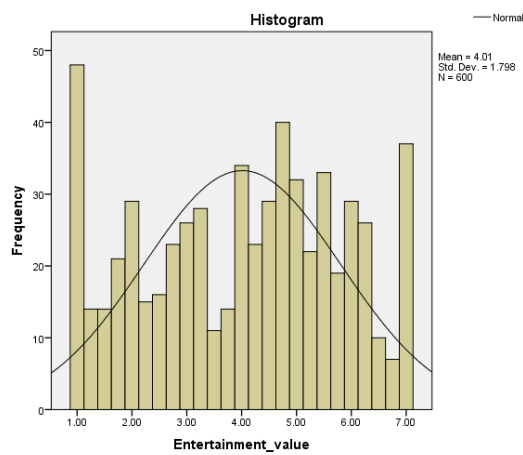


Creativity



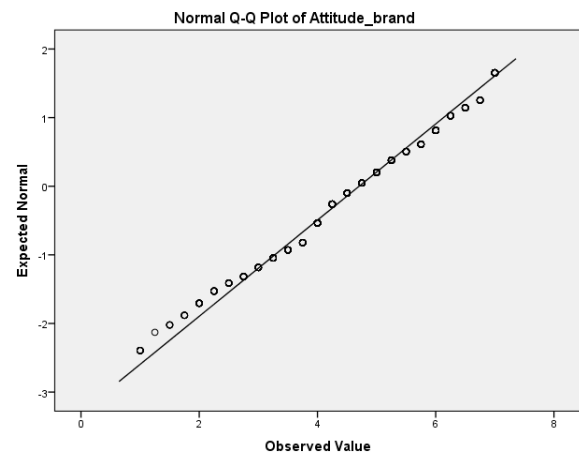
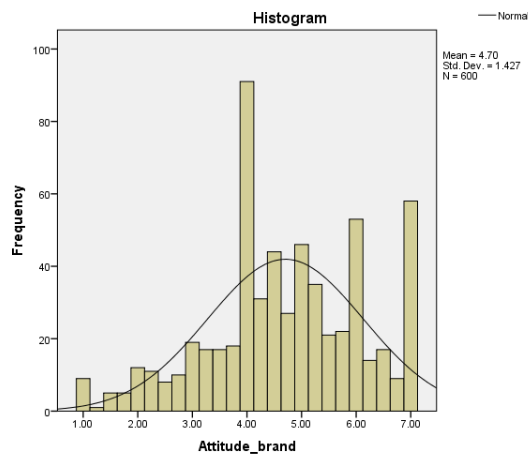
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## Entertainment Value



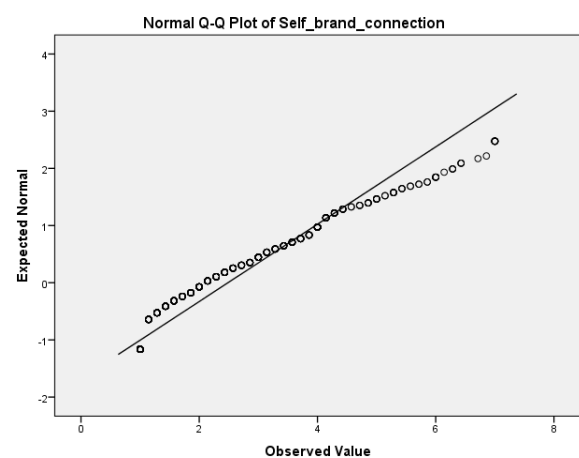
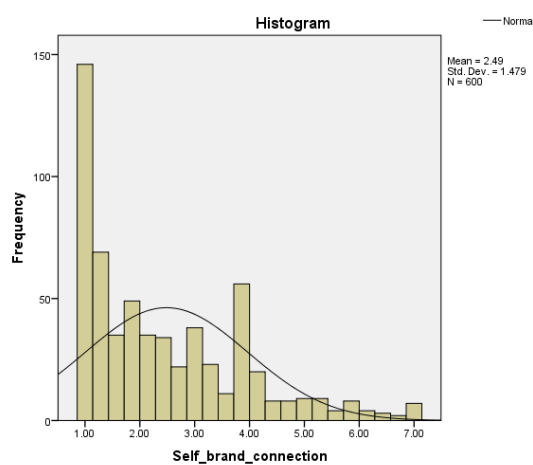
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## Attitude towards the Brand



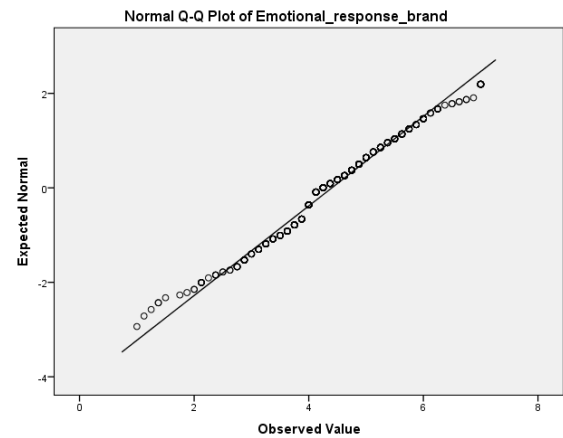
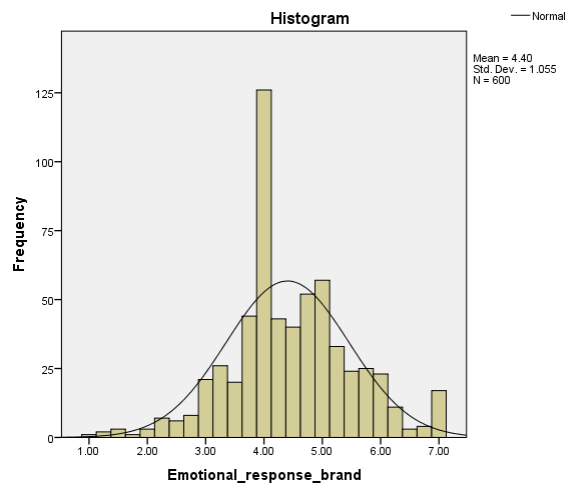
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## Self-Brand Connection



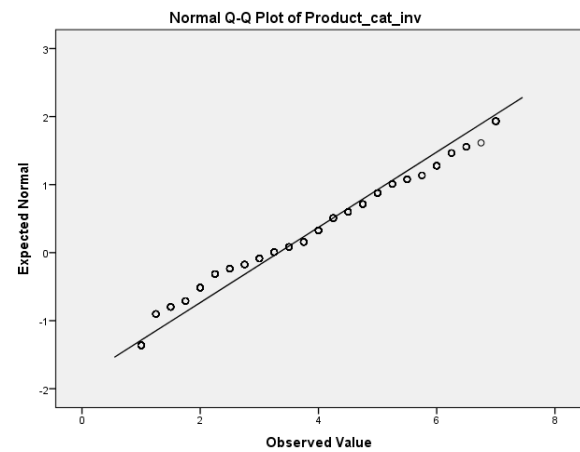
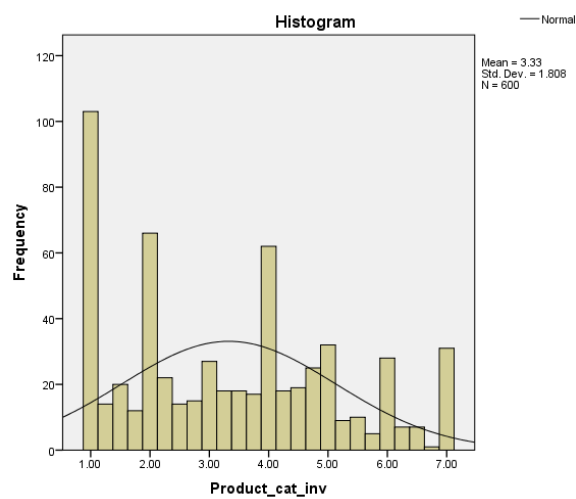
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## Emotional Response to Brand



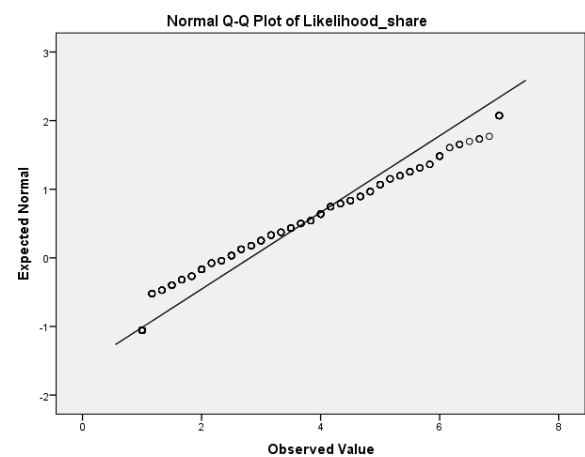
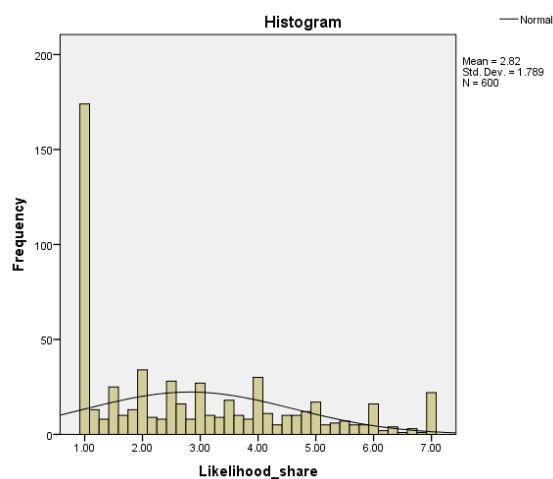
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## Product Category Involvement

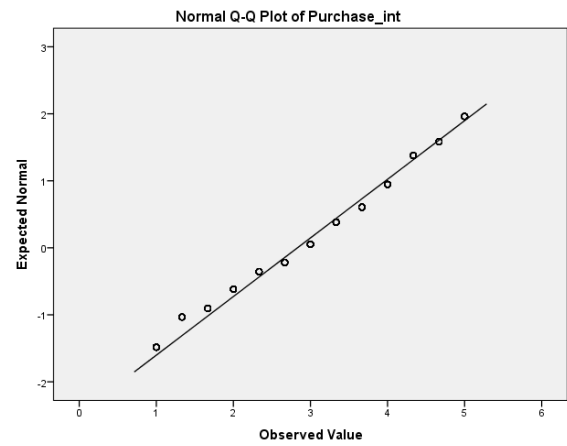
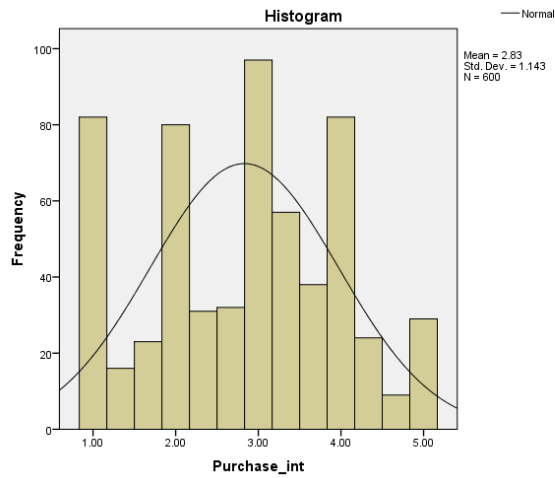


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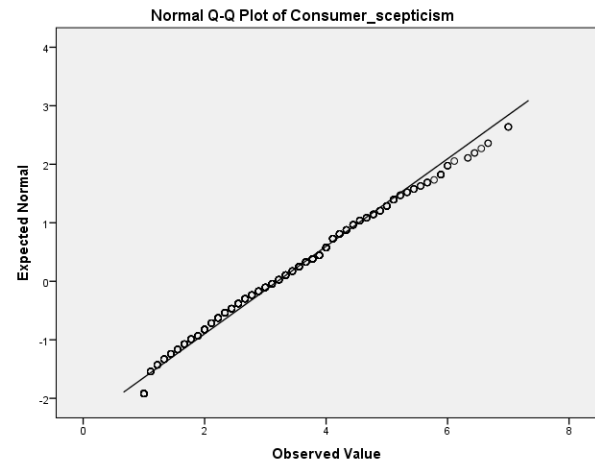
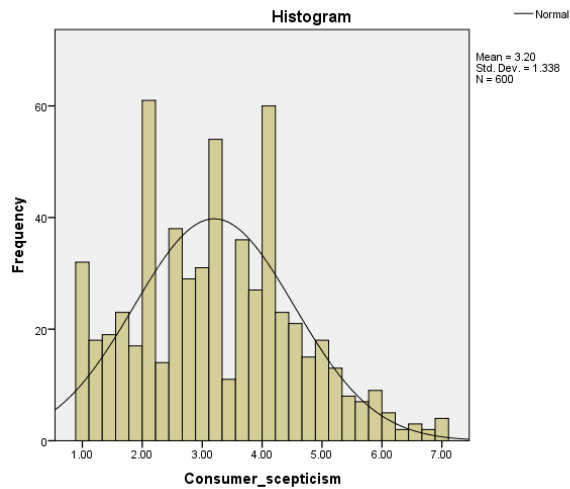
## Likelihood to Share



## Purchase Intention



## Consumer Scepticism



**Table 9-6: Tests of Normality**

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Attitude towards the Ad	.065	600	.000	.986	600	.000
Credibility	.042	600	.015	.995	600	.067
Creativity	.047	600	.003	.993	600	.006
Entertainment Value	.084	600	.000	.953	600	.000
Attitude towards the Brand	.091	600	.000	.969	600	.000
Self-Brand Connection	.157	600	.000	.882	600	.000
Emotional Response to Brand	.096	600	.000	.981	600	.000
Product Category Involvement	.127	600	.000	.932	600	.000
Likelihood to Share	.155	600	.000	.880	600	.000
Purchase Intention	.119	600	.000	.950	600	.000
Consumer Scepticism	.055	600	.000	.978	600	.000

